

Purchasing Week

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\$6 A YEAR U. S. AND CANADA

\$25 A YEAR FOREIGN



How to Escape Rostrum Rustlers

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This is a how-to-do-it column—how to escape making a speech you don't want to make.

Offhand it might seem that there would be very little popular demand for a treatment of this subject. Public speaking practice squads, very actively engaged in making dry run orations to their membership, abound throughout the land. So you would think that almost any speaking engagement would have an oversupply of eager volunteers at hand to fill it.

This, however, is a very limited view of the situation. It neglects the other side of the equation. This is provided by the vast army of program chairmen, much of it driven to desperation by the duty to produce at least warm bodies emitting sound to fill an infinity of resounding rostrums. The surging demand thus created vastly overbalances even the bountiful supply of those yearning to be heard.

False 'Truism'

It has long been accepted by economists as a truism that there is no such thing as an unlimited market. But the program chairmen are continuously demonstrating that this so-called truism is false. There is an unlimited market in the United States for talk, preferably free, by public speakers.

If you stray into the clutches of one of these speaker-hunting desperadoes don't think that you will be released if you explain, with complete honesty, that you know nothing about the subject to be treated. If you do, one of two things is almost sure to happen. The program chairman will promptly propose to change the subject to something you do know about, with the tolerance shown in this regard positively unnerving. Or you will be visited by a withering scorn for your ignorance of the subject, which is calculated to taunt you into responding that by God, you will find out about it and show them who is so ignorant! In either event you will remain on the hook.

Shakespeare's Message

Asked to fill that spot in the annual program of a literary sisterhood which called for disclosing "Shakespeare's Message to the World," I declined with what seemed to me an adequate excuse, "I haven't the slightest idea of what Shakespeare's message to the world was or is." I still cringe from the deluge of scorn that descended on me which said, in effect, "You parading around on the pretense that you are an educated man, and don't know Shakespeare's message to the world." It all but drove me into dropping everything and trying to find out. By the way, do any of you know what the message was? I am still wondering.

Also, I have found, the program chairman will not be distracted

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Purchasing Week's Panorama

• **Is EDP Creating Computer Jitters** in your firm? Union Carbide solved this problem by producing a film to show worried employees how EDP could help the company. How it was done is described on pages 24 and 25.

• **What's the Proper Time to Buy New Equipment**, taking all cost factors into consideration? 'School for Strategists' takes up that problem this week on page 34 with a method to help you get the most for your money.

• **The Wholesale Price Index Is Down Again.** Petroleum price cuts led the way, with organic chemicals and lumber mill products adding to the weakness. For the full details, see the chart and index on page 4.

• **Production Continues to Climb** across the nation. Economists now see June totals approaching the record high, with new peaks almost certain later in the year. For the story, see the P/W indicator analysis on page 7.

Hopes of Early Price Boost Fading; So Vendors Resort to Backing-and-Filling

Shippers Mapping Campaign to Curb Freight Rate Hikes

New York—Shippers, alarmed over the sharp increase in rail and truck rate hike proposals, are mapping an all-out campaign to stem the tide of zooming freight costs. Their strategy goes beyond battling each new proposal as it comes along. It also includes the following moves:

• A broad attack on pickup and delivery charges proposed by Eastern railroads—through the device of pooled shipments and proposed diversion to truck and freight forwarders.

• Strong opposition to the abandonment of less-than-carload rail shipments to and from key areas (already begun by Pennsylvania Railroad).

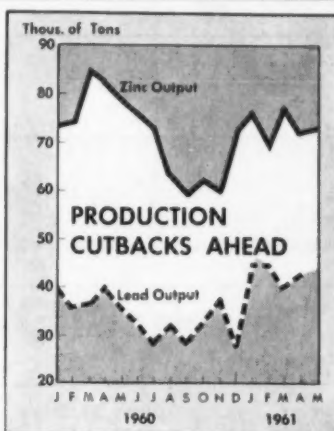
• Working out special rates with REA Express for specific classes of small shipments.

• Diversion to air freight as rate benefits begin to crop up.

• Pushing for large volume incentive rates from railroads, though "contract rates" have encountered tough sledding with the ICC.

In addition to direct attacks on rates, more and more industrial purchasing departments are ordering top-to-bottom overhauls of their traffic and shipping operations. For example: One

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Lead, Zinc Prices Seen Bottoming Out in Wake Of Production Cutbacks

New York—Heavy stocks of zinc and lead and the usual seasonal slowdown in demand are keeping the lid on prices of these metals. But current trends in production and inventories indicate that present quotes — 11¢/lb., New York, for lead and 11½¢/lb. Prime Western, E. St. Louis, for zinc—are probably at their cyclical floors.

In production, for example, zinc mining has already been curtailed and lead output is beginning to drop off. In Mexico City, last March, the United Nations Lead and Zinc Study Group set up a program of production cut-

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How Washington Is Shaping Strategy For the Coming Auto Contract Talks

(A P/W WASHINGTON BUREAU ANALYSIS)

Washington—Two weeks from now, in the fish room of the White House (President Kennedy's prize sailfish adorns the wall), the President's 21-member labor-management advisory committee meets to discuss "all aspects of wages and prices" for the nation. Cut through the high-sounding agenda and you'll find the key issue—the coming contract negotiations in the auto industry.

Seated around the oval conference table will be the big names of industry and labor and the Administration's economic policy-makers. But the attention will center on three members—Labor Secy. Arthur Goldberg, the committee chairman, Walter Reuther, president of the United Automobile Workers and Henry Ford II, head of the Ford Motor Co.

Goldberg won't tell Reuther and Ford what the Administration wants to come out of the industry-wide auto bargaining.

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A REMINDER: P/W now is using SIC numbers to help you keep track of new products. See p. 28 for details.

Latest Gambits: Trial Balloons in Bearings, Aluminum, and Steel

New York—Suppliers' hopes for enough economic sunshine to permit widespread price increases are fading.

In the months immediately ahead, there's going to be a continuation of the policy described by one purchasing executive as a "probing and free-wheeling flexibility—taking an extra penny where demand firms, dropping a cent or two when business can't be had any other way."

Right now, the techniques for implementing this flexible strategy are shaping up like this:

• **Trial price balloons:**—An example is provided by bearing manufacturers who indicated this past week that they still are praying luck will break their way. Several major manufacturers began warning customers early in the spring that a price increase was coming by late summer. The boost will go as high as 4% to 5%, starting Aug 1, and buyer grumblings are getting louder.

Similarly when aluminum and steel conduit manufacturers announced last week the 5% discount in effect since April would be discontinued July 1, there was some speculation whether the increase would hold; but at least customers had two weeks or more of advance warning on what was to come.

• **Geographic differentials.**—Prices are increasingly sensitive to local competitive conditions. Most recent examples: U.S. Steel Supply Div.'s confirmation last week that it had cut prices from \$3.40 to \$30/ton on a wide range of products at its warehouse in Houston, described as "one of the severest price competitive areas in the country"

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Purchasing Week's Purchasing Perspective

The situation described in the story above (on price jockeying) some day may land in your own back yard in a curious sort of way, say management experts. They discern a link between today's heated competition and—of all things—the emergent materials management philosophy. Here's the Freudian path they travel in their reasoning:

• As today's price situation indicates, the U.S. has no major production problems in the foreseeable future. Instead, the big job is to get rid of a potentially overwhelming output.

• So the sales forces in many large companies are rising in power and status.

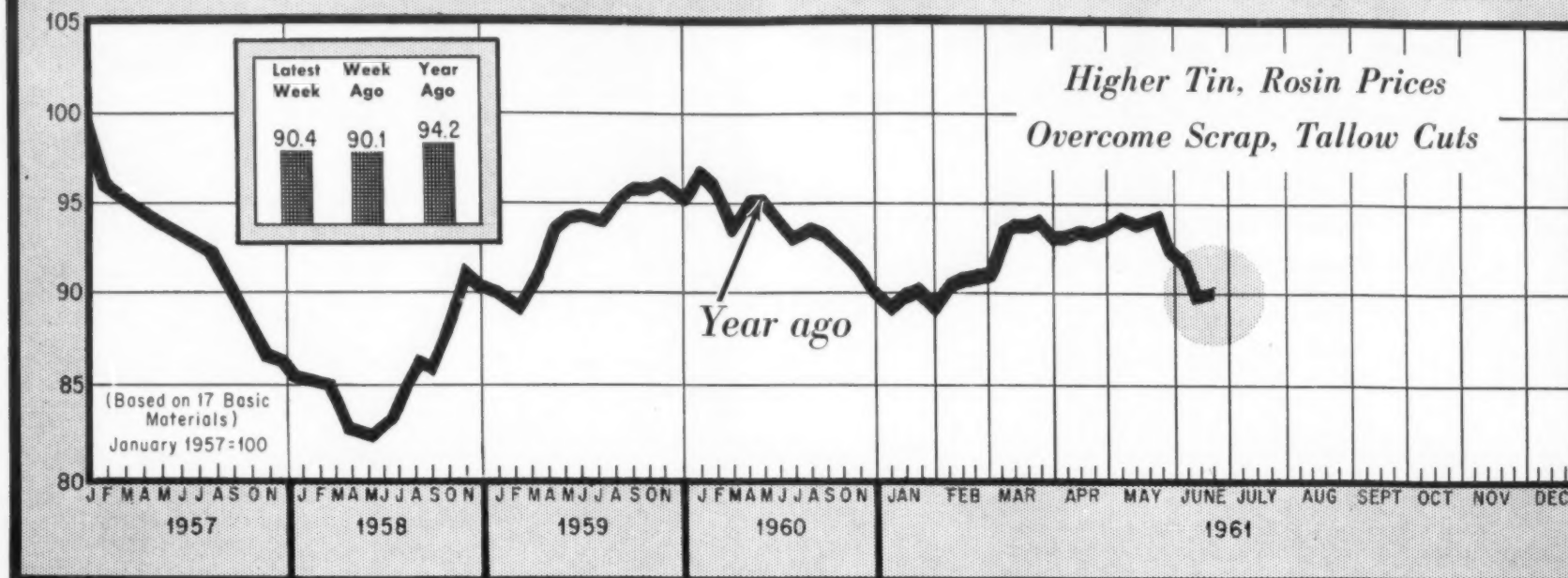
• The ingrained philosophy of sales people is to please the customer—to make and sell merchandise oriented to the buyer's needs and pocketbook.

• Production of merchandise that is primarily customer-oriented calls for the formation of an internal company team

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Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

	June 21	June 14	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.	5.98	5.98	5.975	+ .1
Steel, bars, Pitts., cwt.	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.	5.30	5.30	5.30	0
Aluminum, pig, lb.	.26	.26	.26	0
Secondary aluminum, #380 lb.	.217	.219	.241	-10.0
Copper, electrolytic, wire bars, refinery, lb.	.306	.306	.326	-6.1
Brass, yellow, (sheet) lb.	.493	.493	.506	-2.6
Lead, common, N.Y., lb.	.11	.11	.12	-8.3
Nickel, electrolytic, producers, lb.	.74	.74	.74	0
Tin, Straits, N.Y., lb.	1.142	1.128	1.019	+12.1
Zinc, Prime West, East St. Louis, lb.	.115	.115	.13	-11.5
FUELS				
Fuel oil #6 or Bunker C, Gulf, bbl.	2.20	2.20	2.10	+ 4.8
Fuel oil #6 or Bunker C, N.Y., barge, bbl.	2.62	2.62	2.47	+ 6.1
Heavy fuel, PS 400, Los Angeles, rack, bbl.	2.10	2.10	2.15	-2.3
Lp-Gas, Propane, Okla., tank cars, gal. (incl. discount)	.025	.025	.035	-28.6
Gasoline, 92 oct. reg., Chicago, tank car, gal.	.12	.12	.121	-.8
Gasoline, 84 oct. reg., Los Angeles, rack, gal.	.108	.109	.108	0
Kerosene, Gulf, cargoes, gal.	.093	.093	.09	+ 3.3
Heating oil #2, Chicago, bulk, gal.	.088	.088	.085	+ 3.5
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton	94.50	94.50	90.50	+ 4.4
Benzene, petroleum, tanks, Houston, gal.	.34	.34	.34	0
Caustic soda, 76% solid, drums, carlots, cwt.	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.	.125	.128	.153	-18.3
Glycerine, synthetic, tanks, lb.	.25	.25	.293	-14.7
Linseed oil, raw, in drums, carlots, lb.	.170	.170	.168	+ 1.2
Phthalic anhydride, tanks, lb.	.195	.195	.165	+18.2
Polyethylene resin, high pressure molding, carlots, lb.	.275	.275	.325	-15.4
Polystyrene, crystal, carlots, lb.	.18	.18	.215	-16.3
Rosin, W.G. grade, carlots, fob N.Y. cwt.	12.95	12.03	14.25	-9.1
Shellac, T.N., N.Y. lb.	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.	.063	.068	.056	+12.5
Titanium dioxide, anatase, reg. carlots, lb.	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng finish, Untrimmed, carlots, cwt.	17.75	17.75	17.75	0
Bond paper, #1 sulfate, water marked, 20-lb, 16-carton lots, cwt.	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls	9.50	9.50	9.50	0
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle	6.60	6.60	6.30	+ 4.8
BUILDING MATERIALS				
Cement, Portland, bulk carlots, fob New Orleans, bbl.	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.	4.20	4.20	4.18	+.5
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.	115.00	115.00	124.00	-7.3
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.	126.00	125.00	137.00	-8.0
Spruce, 2x4, s4s, carlots, fob Toronto, mftbm.	85.00	85.00	88.00	-3.4
Fir plywood, 1/4" AD, 4x8, dealer, crld, fob mill, msf.	68.00	68.00	64.00	+ 6.3
TEXTILES				
Burlap, 10 oz. 40", N.Y., yd.	.120	.118	.119	+.8
Cotton middling, 1", N.Y., lb.	.345	.344	.343	+.6
Printcloth, 39", 80x80, N.Y., spot, yd.	.175	.175	.212	-17.5
Rayon twill, 40 1/2", 92x62, N.Y., yd.	.205	.205	.23	-10.9
Cotton drill, 1.85, 59", 68x40, N.Y., yd.	.35	.35	.395	-11.4
Wool tops, N.Y., lb.	1.610	1.585	1.415	+13.8
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.	.182	.185	.180	+ 1.1
Rubber, #1 std ribbed smoked sheets, N.Y., lb.	.302	.300	.462	-34.6

Purchasing Week's

Price Perspective

ACID TEST—To what extent will rising wage costs be passed on to buyers in the next six months or so? Part of the answer to this puzzler may be forthcoming on Aug. 1, just five weeks from now, when aluminum workers are scheduled for a 9¢/hr. wage boost.

The companies claim they need a price increase badly—pointing to the fact that new pay increases come hard on the heels of last year 11½¢/hr. wage hike which had to be absorbed almost entirely because of poor demand.

Many metal observers doubt, however, that demand has improved enough over the past year to warrant any general increase at this time. They point to the fact that production is still only around 75% of capacity.

Other factors pointing to producer restraint are (1) the sharp competitive battle with steel in stainless and other areas, and (2) the fact that prices on a lot of items have been weak. (Just last week, for example, suppliers posted a 4% cut on an alloy used in windows, doors, etc.)

What producers ultimately do could have a direct effect on steelmakers who face the same dilemma exactly two months later—on Oct. 1.

URGENCY—Last week's spurt in tin prices—to a new high of \$1.17/lb.—points up the importance of this week's London meeting of the International Tin Council.

With buffer stocks exhausted, the council can no longer dump the metal on the market at \$1.10/lb. (London), thus keeping a lid on tags.

Industry speculation about what action the council will take include the following alternatives:

(1) Raise the London ceiling price from \$1.10/lb. to \$1.25/lb., which amounts to sanctioning the current breakthrough.

(2) Have producers make new contributions to the buffer pool—thereby permitting the council to resume its price-dampening sales.

(3) Exert pressure on the U. S. to release metal from stockpile.

The feeling among experts is that the last two measures would not have too much immediate effect on stemming the price rise.

Take the suggestion of new metal contributions. Right now, producing members are hard pressed to meet consumer demand—and they would find it extremely difficult to find additional metal for buffer stock use.

As for the release of part of the huge 400,000 ton U. S. military stockpile—this would take a lot of time, because a Congressional okay is necessary for such a move.

There's also talk of releasing 4,000 tons in a supplementary stockpile. But this is not tinplate grade. Besides this is only a fractional part of the estimated 20,000 ton world shortage.

ABOUT FACE—Copper which was firm less than a month ago is now showing growing signs of weakness.

A combination of factors is making for this sudden switch:

• **Higher user inventories**—Copper users, having built up their stocks in the recent May spurt, now can afford to sit on the sidelines and wait for lower prices.

• **Diminished strike fears**—The recent action by Mine, Mill, and Smelter Workers Union to keep working after June 30 (contract expiration date) removes immediate fears of a strike at Kennecott's big U. S. mines.

• **Foreign calm**—Settlement of African disputes, plus relative labor peace in Chile, indicates uninterrupted world production.

Signs of price easiness are already cropping up. Just last week, for example, suppliers dropped tags ¼¢-1¢/lb. on drawn copper rods.

Equally significant is the fact that dealers are selling copper below producer price of 31¢/lb. The dealer price is highly sensitive to demand. Whenever it falls, it's a pretty good sign of weakness.

Aluminum, Steel Conduit Firms Erase Distributor Discount as Sales Pick Up

New York—Major aluminum producers as well as several steel firms announced they are eliminating the 5% distributor discount on electrical conduit, effective July 1. The discount has been in effect since late March.

Industry observers say the move may signal a truce in the fierce price war the two metals have been waging in protective wire tubing for more than a year. They see further encouraging signs of diminishing cutthroat competition in reports by leading conduit makers in both metals of strong sales gains.

"I think the pickup is spread widely enough through the industry," said one aluminum fabricator, "for the price increase to stick."

A few industry experts were not so sure, however. They pointed to the fact that some

small fabricators still are shading rigid conduit prices and that Youngstown Sheet and Tube—a major producer—was very hesitant about following the lead of General Electric, Triangle Conduit and Cable, and Pittsburgh Standard Conduit, the firms that initiated the steel product hike.

In aluminum, there was still some uncertainty as to whether Reynolds would follow the example set by Kaiser and Alcoa in dropping the discount.

This Week's Scrap Prices

	June 21	June 14	Year Ago	% Yrly Change
Steel, #1 hv, dlvd Pitt, ton.....	37.00	37.00	30.00	+22.3
Steel, #1 hv, dlvd Clev, ton.....	34.50	34.50	30.00	+15.0
Steel, #1 hv, dlvd Chic, ton.....	37.00	38.00	29.00	+27.6
Copper, #1 wire, dlr buy, fob NY, lb.....	.24	.255	.235	+ 2.1
Copper (hv) & wire mix, dlr buy, fob NY, lb.....	.22	.235	.215	+ 2.3
Brass, light, dlr buy, fob NY, lb.....	.125	.13	.105	+19.0
Brass, hv yellow mix, dlr buy, fob NY, lb.....	.145	.15	.115	+26.1
Alum (cast), mixed, dlr buy, fob NY, lb.....	.10	.10	.10	0
Alum (sheet), old clean, dlr buy, fob NY, lb.....	.095	.095	.095	0
Zinc, old, dlr buy, fob NY, lb.....	.03	.03	.04	-25.0
Lead, soft or hard, dlr buy, fob NY, lb.....	.07	.07	.083	-15.7
Rubber, mix auto tires, dlvd Akron, ton.....	11.00	11.00	11.50	- 4.3
Rubber, synth butyl tubes, East, dlvd lb.....	.063	.063	.080	-21.2
Paper, old corrug box, dlr, Chic, ton.....	16.00	16.00	16.00	0
Paper, #1 mixed, dlr, NY, ton.....	1.00	1.00	1.00	0
Polyethylene, clear, dlr, NY, lb.....	.07	.07	.11	-36.4

Sears, Roebuck Prices Down in Fall Catalog

Chicago—Prices in Sears, Roebuck & Co.'s fall-winter catalog average 1% less than last year's book, the company said.

Some of the most important drops: home appliances are down 3.3%; housewares and home modernization merchandise, including building materials, down 2.4%, and home furnishings and wearing apparel, down less than 1%.

The company said the price averages are based on a sampling of more than 2,300 of the 140,000 items in the catalog.

Price Briefs

Aluminum alloys—Aluminum producers are posting 4% reductions on extrusion billet in alloys within its 1,000, 3,000, and 6,000 numbered classification series.

Drawn copper rods—Major producers are cutting base prices ¼¢-1¢/lb. on drawn copper rods—the types used for bus bars.

Antiknock compounds—Ethyl Corp. is cutting tags on these compounds by about 5%. Aim is to broaden use and thereby utilize some of the industry's excess capacity.

Television—Thompson Ramo Wooldridge is raising prices on closed circuit TV systems by an average of 7%—with some increases ranging as high as 25%.

Triethylenetetramine—Dow Chemical Co. is lowering prices 3¢/lb. on this key chemical which is coming into increasing use as a chemical intermediate.

Polypropylene films—AviSun Corp. is cutting prices to 64¢/lb. for all gages in shipments of 500 lb. or more. Aim is to penetrate markets now held by other transparent packaging films.

Acetone—Tags on this widely used industrial solvent are being lowered 1¢/lb. New price is 7¢/lb. in tankcars, or truckloads, delivered.

Dyestuff intermediates—Significant increases are being posted in these items: 4-aminoazobenene-4 prime sulfonic acid (up 12¢/lb.); para-aminophenol (up 10¢/lb.); 2-aminotoluene-5 sulfonic acid sodium salt (up 5¢/lb.) and Cleve's acid 1, 7 (up 22¢/lb.).

Wire Rope—Competition is forcing steelmakers to reduce wire rope to dealers by 10%.

Vinyl chloride monomer—Strong competition is resulting in about a 1½¢/lb. decrease in this important plastic material.

Can the nation's largest buyer of steel tubing solve a buying problem for you?

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1. At no extra cost you can place mill orders through Ryerson.
2. You deal conveniently with local Ryerson men who take full responsibility for meeting your requirements.
3. As the largest buyer we have a knowledge of sources and position with them that few other buyers can command. You eliminate source searching, paper work, expediting, etc., when you concentrate purchases on one order to Ryerson.

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Purchasing Week's Washington Perspective

Behind the economic optimism of the Kennedy Administration is a general upsurge in several key business indicators, and an anticipation of further substantial rises. Treasury Secy. Douglas Dillon made the optimism official last week: He said a business boom by the middle of 1962 is a definite possibility.

These are some of the things Dillon and other Kennedy aides view with pleasure: (1) a rise in consumer spending, reversing a dip in the first quarter; (2) a 3-point rise in industrial production in May, carrying the index almost back to the pre-recession high; (3) a rise in housing starts, spotty so far but expected to firm into a steady increase for the rest of the year; and (4) an anticipated improvement in corporate profits to follow the mounting production, and an increase in spending for new plant and equipment.

Dillon believes the coming boom does not have to be accompanied by price inflation—if industry and labor will cooperate. There is enough overcapacity in most industries, he argues, to prevent shortages that might lead to price increases. If management and labor will ban wage increases that exceed gains in productivity, price stability will be achieved. Dillon even urges price cuts where they are warranted by productivity.

As for the economy, Dillon sees an 8% production gain in 1962 over this year's average output of goods and services. The gross national product was at a low of an annual rate of \$500-billion at the beginning of 1961. Dillon thinks it will reach \$530-billion by year-end and rise to about \$570-billion in the fourth quarter of next year. This may mean, he says, sufficient extra revenue to permit a tax cut in fiscal 1963.

A 7% to 8% across-the-board tax credit for spending on new plant and equipment is acceptable to the Administration. That is the word not only from Dillon but also White House sources. The plan would be a substitute for the Administration's more complicated tax credit proposal, which drew almost solid opposition from business firms. It would cost the Treasury about the same \$1.7-billion a year; a company would subtract from its tax bill 8% of the money spent on new plant and equipment in the same tax year.

Chances of Congressional enactment this year still are extremely doubtful. The Treasury already faces a \$3-billion deficit for the fiscal year that ends June 30 and perhaps as much as a \$5-billion deficit in fiscal 1962.

In view of these, Dillon says Kennedy would veto the 8% tax credit unless Congress approves other recommendations to offset the \$1.7-billion loss—tighten rules on overseas profits, put a withholding tax on dividends and interest, repeal the 4% dividend credit, and tighten rules on business expense deductions.

Government efforts to get General Electric to sign an electrical switchgear consent decree seems headed for court. But when this will happen is not yet clear. Justice Dept. antitrust attorneys still are mapping out their strategy before presenting the problem to Federal Judge J. Cullen Ganey in Philadelphia. His court will be the focal point either for a trial or a compromise.

Four other major defendants in the civil case—Westinghouse, Allis-Chalmers, I-T-E Circuit Breaker Co., and Federal Pacific Electric Co.—have agreed to sign the proposed decree. But GE remains firm. It objects most vigorously to a clause that would make it illegal to charge "unreasonably low" prices for switchgear; that this would limit rather than increase competition and would create a "government-sponsored price support program in the electrical industry."

The government is particularly anxious for an agreement with GE. It already has circulated the proposed consent decree among all defendants in the 19 other electrical price-fixing cases as a model for decrees the Justice Dept. will press for in all.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,985	2,042	1,775
Autos, units	136,244	134,933*	146,079
Trucks, units	25,901	26,875*	27,495
Crude runs, thous bbl, daily aver	8,224	8,172	8,034
Distillate fuel oil, thous bbl	12,745	12,434	12,531
Residual fuel oil, thous bbl	5,824	5,893	6,077
Gasoline, thous bbl	30,714	29,586	29,482
Petroleum refineries operating rate, %	82.9	82.4	82.2
Container board, tons	167,840	160,739	166,115
Boxboard, tons	100,411	101,497	99,356
Paper operating rate, %	92.0	89.4*	99.1
Lumber, thous of board ft	229,336	220,943	239,418
Bituminous coal, daily aver thous tons	1,412	1,338*	1,456
Electric power, million kilowatt hours	15,345	15,004	14,053
Eng const awards, mil \$ Eng News-Rec	469.6	403.3	485.1

* Revised

Coal vs. Oil Fight Flaming Anew Before OCDM

Washington—The coal vs. oil fight for East Coast industrial markets is being stoked anew in anticipation of an Office of Civil and Defense Mobilization decision on whether to tighten up or eliminate curbs on residual fuel oil imports.

OCDM will be receiving statements on the resid question through July 21, and will make its decision after rebuttal comments are filed Aug. 21.

The basic arguments are unchanged. East Coast consumers want unlimited supplies of cheap Venezuelan resid, and the international oil companies want to give it to them; but the coal industry charges that resid prices are costing them East Coast customers, and aggravating coal area unemployment.

With the OCDM investigation following on the heels of Administration action earlier this year relaxing resid controls, there is apprehension among the coal people, and hope among East Coast consumers, that the import restrictions will be dropped.

This situation accounts for furious activity in Congress by advocates and opponents of the controls. Nineteen of 28 New England representatives peti-

tioned OCDM to lift the curbs, and New England senators quickly followed up with the same demand. This effort is sparked by the New England Council, which contends that resid prices have jumped 21¢ per bbl. since mandatory restrictions were imposed two years ago, and claims that New England prices are 23¢ to 33¢ per bbl. over world prices.

Coal is meeting this attack through its drive for a Congressional national fuels study, and in hearings on the effect of im-

ports on employment being conducted by a House labor subcommittee, headed by Rep. John H. Dent (D-Pa.), a former coal company executive.

In Senate Interior Committee hearings, coal spokesmen made no bones about what they hope to gain from a fuels study: a production increase of 100,000 tons of coal per year through tighter restrictions on resid imports, and an end to alleged "dumping" of natural gas for industrial use during warm months.

Shipper Refund Bill Goes to Committee

Washington—A House Commerce subcommittee is considering a bill that would require motor carriers and freight forwarders to pay reparations to shippers who are overcharged on freight rates.

Endorsed by the National Industrial Traffic League, the Interstate Commerce Commission, and General Services Administration, the bill is being fought vigorously by the American Trucking Assn. and the Freight Forwarders Institute. Truckers argue that shippers have the right to protest any rate before it

goes into effect and there is no reason why retroactive complaint should be allowed. They also contend such a measure would open the door to "claims sharks."

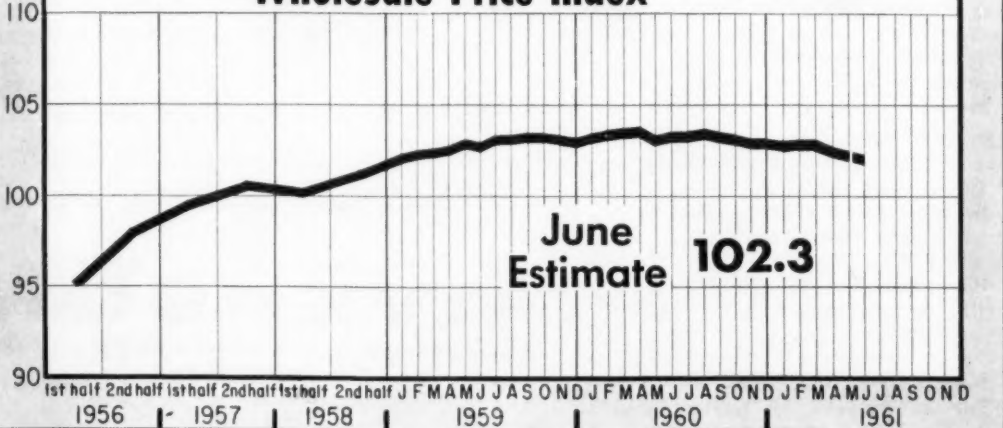
The bill is an attempt by the ICC to regain and extend authority that was disallowed in 1959 by a Supreme Court ruling that the commission had no right to pass upon the past unreasonableness of a motor carrier rate. The Interstate Commerce Act provides that rail and water carriers are responsible for damages, but motor carriers are not included.

This Month's Industrial Wholesale Price Indexes

Item	Latest Month	Month Ago	Year Ago	% Yrly Change	Item	Latest Month	Month Ago	Year Ago	% Yrly Change
Cotton Broadwoven Goods	96.4	96.3	103.9	- 7.2	Industrial Furnaces & Ovens	122.3	122.2	121.3	+ .8
Fiber Textiles	93.4	93.5	97.1	- 3.8	Industrial Material Handling Equipment	107.8	107.8	105.9	+ 1.8
Leather	117.8	115.8	117.4	+ .3	Industrial Scales	115.7	115.7	115.7	0
Gasoline	95.1	97.9	91.4	+ 4.0	Fans & Blowers	103.9	103.9	104.5	- .6
Residual Fuel Oils	79.1	79.8	75.0	+ 5.5	Office & Store Machines & Equipment	105.4	105.4	104.8	+ .6
Lubricating Oils	112.2	112.2	108.4	+ 3.5	Internal Combustion Engines	104.9	104.9	103.9	+ 1.0
Inorganic Chemicals	104.3	104.2	103.3	- 1.0	Integrating & Measuring Instruments	121.8	121.1	120.2	+ 1.3
Organic Chemicals	97.1	97.5	99.4	- 2.3	Motors & Generators	98.8	98.8	101.1	- 2.3
Prepared Paint	106.4	106.4	103.4	+ 2.9	Transformers & Power Regulators	85.3	85.3	98.3	-13.2
Tires & Tubes	92.9	92.9	92.8	+ .1	Switch Gear & Switchboard Equipment	105.9	105.9	106.6	- .7
Rubber Belts & Belting	110.2	110.2	105.5	+ 4.5	Arc Welding Equipment	104.4	104.4	108.1	- 3.4
Lumber Millwork	103.6	104.5	106.4	- 2.6	Incandescent Lamps	130.8	131.0	130.9	- .1
Paperboard	95.1	95.2	99.8	- 4.7	Motor Trucks	105.6	105.6	106.2	- .6
Paper Boxes & Shipping Containers	106.3	106.3	105.2	+ 1.0	Commercial Furniture	106.2	106.2	106.7	- .5
Paper Office Supplies	103.4	103.4	102.5	+ .9	Glass Containers	104.4	104.4	103.3	+ 1.1
Finished Steel Products	108.8	108.8	109.2	- .4	Flat Glass	97.6	97.6	97.6	0
Foundry & Forge Shop Products	108.2	108.2	108.2	0	Concrete Products	104.6	104.5	104.7	- .1
Nonferrous Mill Shapes	94.6	93.5	100.4	- 5.8	Structural Clay Products	107.2	107.6	107.4	- .2
Wire & Cable	88.2	86.7	92.5	- 4.6	Gypsum Products	106.1	106.1	104.7	+ 1.3
Metal Containers	106.2	106.1	105.0	+ 1.1	Grinding Wheels	94.4	94.4	9.48	- .4
Hand Tools	113.4	113.4	111.4	+ 1.8	Industrial Valves	115.0	115.0	116.8	- 1.5
Boilers, Tanks & Sheet Metal Products	101.5	101.4	102.6	- 1.1	Industrial Fittings	90.0	90.0	106.8	-15.7
Bolts, Nuts, etc.	112.2	112.2	106.3	+ 5.6	Anti-Friction Bearings & Components	89.3	89.3	91.9	- 2.8
Power Hand Tools	110.9	110.9	108.6	+ 2.1					
Small Cutting Tools	116.1	116.3	118.3	- 1.9					
Precision Measuring Tools	112.4	112.4	109.5	+ 2.6					
Pumps & Compressors	113.8	112.6	112.2	+ .5					

January 1957 = 100

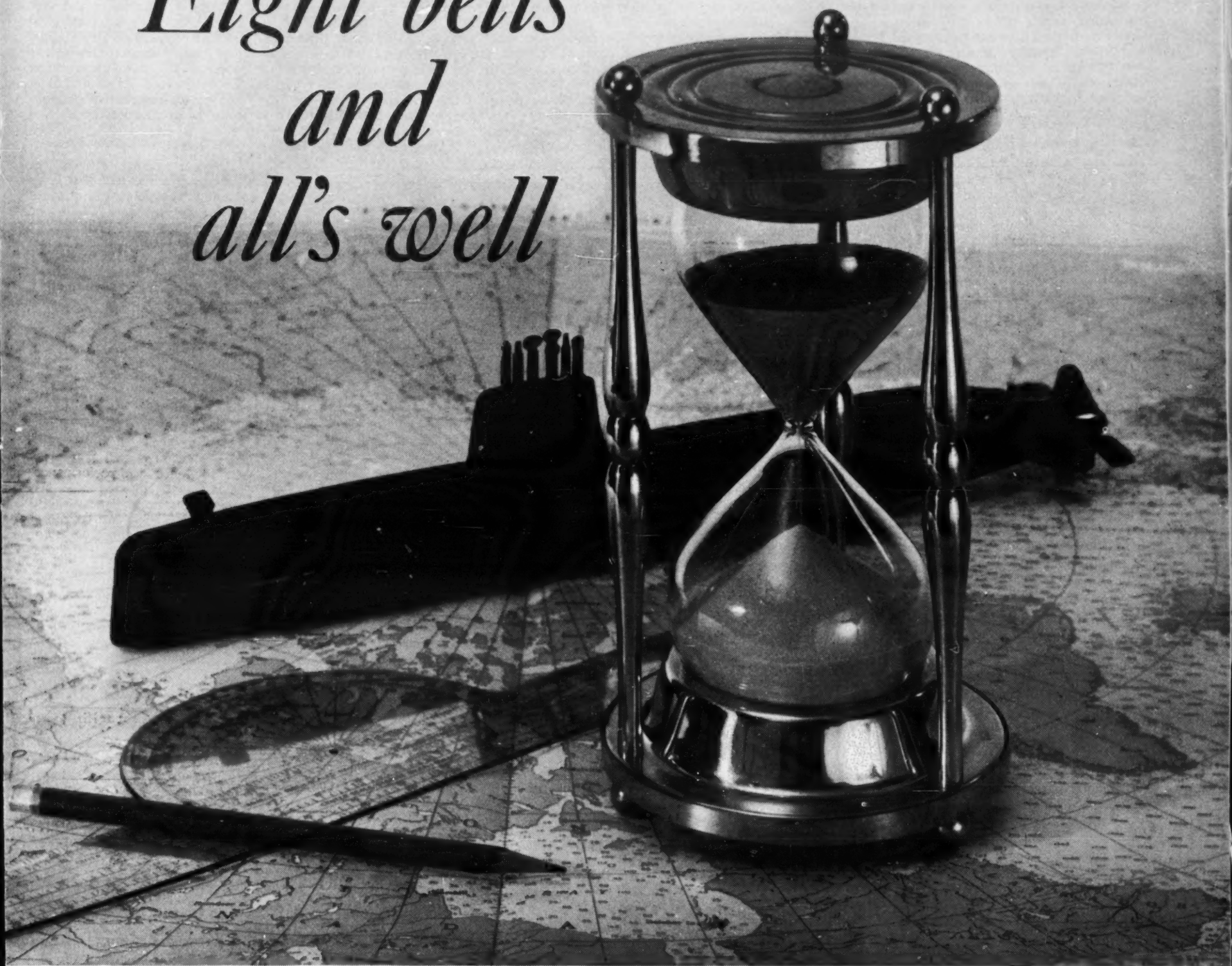
Purchasing Week's Wholesale Price Index



FOR THE SECOND MONTH in a row petroleum price cuts shaded P/W's wholesale price index—to 102.4 from the previous month's 102.6. Gasoline and residual oil tags fell nearly 3% and 1% respectively, the only noteworthy price boosts—1% for nonfer-

rous mill shapes and slightly under 2% for wire and cable. Higher leather tags were offset by weakening in organic chemicals and lumber millwork products. The index should continue its downward drift in June on price cutting in steel products.

Eight bells and all's well



... with America's underwater nuclear fleet. In building up today's nuclear fleet, Electric Boat Division of General Dynamics Corporation took to the air. To meet exacting production schedules, the atomic submarine shipyard often utilized Emery Air Freight's speed and reliability to make on-time deliveries from suppliers. Emery Air Freight has been part of Electric Boat's operations for the past five years. Emery gives same day or overnight delivery anywhere in the nation. Now you can go far and wide for new suppliers to shop for the best at minimum cost. Plan now to take advantage of the speed and reliability of Emery by specifying "Ship Emery Air" on shipments from your suppliers.



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Defense Contractors Talk Profit, Cost Reduction

Washington—Two proposals to clear up the oftentimes conflicting aims of the Pentagon to trim procurement costs and of defense contractors to earn higher profits on military orders were offered here at a two-day National Security Industrial Assn. symposium on "the profit motive and cost reduction." Over 500 executives from defense companies attended the meeting.

One proposal made by

Thomas D. Morris, Asst. Secy. of Defense for Installations & Logistics, reflects what Morris called the Defense Dept.'s desire to find new "techniques of incentive contracting especially suited for development and early production contracts." This would be an alternative to the controversial "cost-plus-fixed-fee" (CPFF) type of contract under which the military allows an average 5% to 8% gross profit range. Over one-third of

current procurement is now awarded under CPFF contracts.

Morris' proposal is to use a "cost-plus-award-fee" contract to spur greater incentives for cost reduction and contractor performance. Depending on their performance, contractors could be penalized 5% of costs or earn fees as high as 15%.

The amount would be determined after the contract's termination, rather than during contract negotiations. It would

be specified by an independent board of military procurement officials who would evaluate a contractor's assumption of risk, product quality and reliability, efficiency, and the like.

A second proposal was made by P. E. Haggerty, president of Texas Instruments, Inc., who called for a shift from "cost-orientation to price orientation" in military procurement. In effect, he urged more firm fixed-price contracts for development and initial production, rather than cost-reimbursable types, in which the military would "pay for a product according to worth rather than cost."

A panel of military and in-

dustry procurement experts saw flaws in both proposals. Joseph Corie, Northrop Corp. comptroller, said Morris' proposal would involve serious administrative problems — specifically, more "overmanagement" of contractor operations by the military and prolonged deferral of profit determinations.

Aaron J. Racusin, deputy for procurement and production to the Asst. Secy. of the Air Force (materiel), criticized Haggerty's proposal for falsely assuming the widespread existence of a "truly price-competitive environment" in defense business.

McNamara Outlines Plans

Defense Secy. Robert S. McNamara announced that he is planning "a wide variety of other actions (in addition to recent cutbacks in the Titan, in aircraft nuclear propulsion, and the B-70) to reduce unnecessary costs."

He said that the need to switch from firm fixed-price contracting to cost-reimbursable types of procurement in missiles, electronics, and other advanced hardware has blunted the traditional incentive of military contractors to trim costs. He said cost-type contracts "fail to give recognition to the central importance of the cost-benefit ratio."

McNamara called for simplified specifications and "rationalized" tolerances and performance standards; a reduction in arms development time, presumably by freezing design earlier; more reliable cost estimates from contractors; tighter controls on engineering changes to check whether design improvements are worth the extra expense; simplified administration and reporting on defense contracts; and "elimination of uneconomic and inefficient conditions . . . that interfere with maximum productivity."

Profit Reduction Hit

Robert E. Lewis, president of Perkin-Elmer Corp., complained that "there seems to persist an attitude that questions even reasonable profits (on military contracts). This is coupled with a belief in many instances, that cost reduction can best be accomplished by profit reduction. Profit incentive and cost reduction are wholly compatible. The first often leads to the second," he said.

Lewis laid out his ideas on what the Defense Dept. should do: set clearer specifications in seeking contractor proposals on new projects; provide for more speedy negotiations; place the factor "over-all performance" on par with cost in evaluation of contractors; put more emphasis on incentive and other flexible pricing formulas when a project passes the initial study and prototype development stage.

'Overhaul and Updating'

George M. Bunker, chairman of the Martin Co., said the massive shift from production to research and development requirements in defense industries calls for an "overhaul and updating" of contract management. He criticized the Defense Dept. for "excessive management" of R & D and an "unwillingness to let contractors have responsibility," called for the Pentagon to "restore and increase the profit incentive in research and development."

HANDY & HARMAN SILVER BRAZING Permits Manufacturer to Guarantee Underwater Air Regulator For Life



Perhaps the most vital component of a skin diver's equipment, this Viking Air Regulator, manufactured by Christensen Tool & Engineering Company, Norwalk, Connecticut, is structurally guaranteed for life. It must, under all conditions, be absolutely leaktight. The manufacturer's guarantee is a relatively recent achievement—through the high-strength help of silver alloy brazing with Handy & Harman EASY-FLO 45 and HANDY FLUX.

Over and above the unreserved dependability of brazed joints, the brazing method itself has saved the company considerable time, money and material in the production of the Viking Air Regulator. Brazing's simplicity is interestingly illustrated in this case by this company's require-

ment that assemblers and testers of the Viking must be skin divers themselves.

Almost invariably, silver brazing effects economies and brings advantages to whatever part, product or assembly it is applied. True, air regulators are few and far between, but the point is that they are metal products, made of a number of different metal components.

And that's the phrase that covers brazing's great adaptability. To give you a good idea of how you can put brazing to work, we'd like to send you Bulletin 20—it covers the basics of brazing and it may very easily solve your metal-joining problems. Handy & Harman, 850 Third Avenue, New York 22, N. Y.

Here, in "serial" form is how the guarantee is "brazed" into the Viking:



1. TANK HOUSING—Initially, this component was mechanically joined and made "airtight" by means of sealants. Now, brazing eliminates 8 holes, 4 tapping operations, 4 screws and 3 assembly operations.



2. FORK ASSEMBLY—There are five separate brazed joints, done with hand torch and hand-fed wire. Brazing eliminates one tapped hole, a lock washer and a spacer, plus the fact that positive alignment is now guaranteed.



5. Shown here are the finished Viking components before and after assembling. —Brazing by Specialty Brazing Laboratories, Riverside, Connecticut.



3. YOKE—This is assembled from stampings instead of castings, which were previously used. With brazing, no secondary finishing operations are required. Further, the part is stronger and lighter, and savings on material and labor on this component alone add up to 28%.



4. PISTON—This is the most important single element of the Viking. It regulates flow of oxygen from cylinder to mouthpiece; from 300 lbs. pressure to normal breathing. Without brazing, this part could not be made.

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Production Expected to Hit New High in Fall

New York—Industry output, sparked by substantial gains in auto and steel, continues to rise—and chances are that June production totals will come pretty close to last year's record high, with new peak's virtually assured in the fall.

The latest Federal Reserve Board figures for May show how fast the pace of industrial activity has been picking up. Output last month hit 108 (1957=100)—almost 3% above April. That's also 6% above February's recession low and two-thirds of the way back to the peak of 111 hit in January, 1960.

If June output does bounce back to the old high, it will be the quickest recovery in postwar history. In 1953-54, it took six months to regain all lost ground, and in 1957-58 it took eight months. A more detailed look at the latest production figures reveals that current optimism is well-founded.

● **Market breakdown** — The fact that raw material output has been rising almost twice as fast as final goods production is taken as a pretty good sign that inventory piling is over—and that some stock accumulation is about to get underway. As one expert pointed out: "If all the materials aren't going into fabricated products, there's only one place left—and that's onto P.A. shelves."

Whenever these two major production areas diverge, the difference is usually reflected in an inventory change. In 1960, for example, when materials fell much more rapidly than final goods, the differing rates of decline (10% and 4% respectively) meant that many P.A.'s were living off inventory fat. And it helps explain why material inventories held by manufacturers dropped by a sharp \$1-billion.

● **Durability breakdown**—The major recovery has been in hard goods areas, which have zoomed up 10% in the past three months. This is particularly significant because durables are the prime mover in the economy. On the basis of past experience, whenever this segment rises, the whole economy generally follows suit.

● **Industry breakdown**—While hard goods, such as autos and steel, have led the parade, the fact remains that almost every single major industry (including all soft goods areas) has felt some improvement in recent months.

The latest Federal Reserve Board report, for example, shows an across-the-board recovery pattern—with increases in such widely diverse lines as TV and radio receivers, furniture and other consumer goods, construction materials, textiles, chemicals, paper products, farm equipment, and industrial and commercial machinery.

The accompanying chart presents a graphic picture of just how general the recovery has been.

But as impressive as this picture is, some government economists are still not convinced that what is happening now automatically assures a long-range growth pattern.

They point to the lag in retail sales. Department stores reported that sales for May dropped 2% below the previous

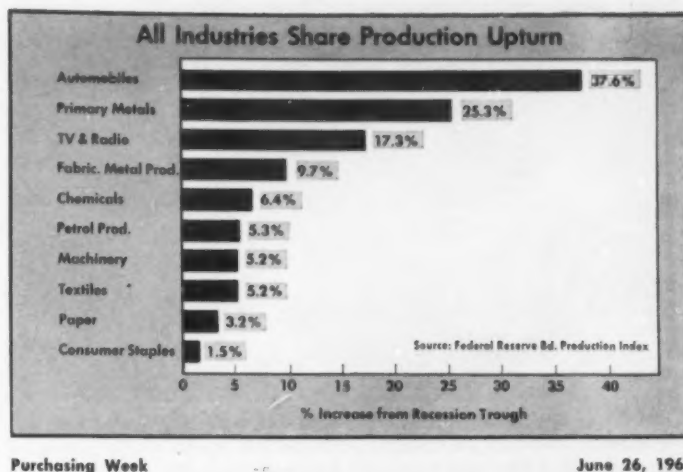
month—after adjustment for seasonal variations.

Even in autos there's some sign of slackening off in the buying pace. Thus, sales in the first part of June slipped 9% below the month earlier level after a sustained rise of several months.

Some economists contend that production will not be able to maintain its current growth pace, and may tend to level off unless consumer buying picks up. The new Michigan Survey of Con-

sumer Attitudes—due out in a few days—should help clarify the picture in the consumer area.

Other analysts question the ability of the machinery industry to maintain its current pace. They note that a new government estimate of capital spending is virtually unchanged from a forecast made at the beginning of the year. (The estimate calls for only a fractional rise in capital spending over the next six months.)



Pioneer Salt Company's unique chemical "department store" serves Delaware Valley



Loading platform at the Philadelphia warehouse accommodates 6 trucks simultaneously.

Industrial chemical purchasers in the Delaware Valley enjoy the advantages and economies of "one-stop shopping" at the Pioneer Salt chemical distribution center. More than 175 chemical products are available for immediate delivery—the largest, most diversified line in the Delaware Valley. Pioneer is the valley's largest salt distributor, with the only bulk facilities.

Customers of Pioneer Salt receive the benefits of the latest materials handling facilities. These include an unusual "hot room" at the Philadelphia warehouse where drums and bags of chemicals with high freezing points are stored at temperatures over sixty degrees. Philadelphia and Maple Shade, N. J. warehouses are fully palletized, with fork trucks for quick loading. Stocks are kept up to the minute by an automatic inventory control. A modern fleet of trucks assures same-day deliveries whenever necessary. Hydraulic tail gates expedite loading and unloading.

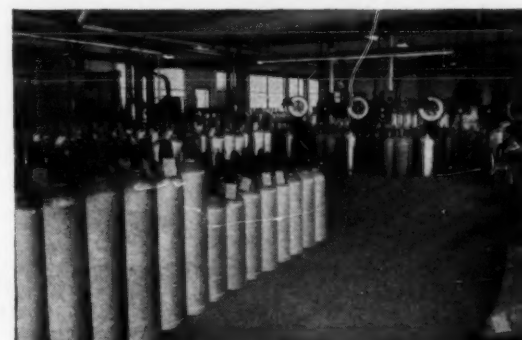
Pioneer Salt Company matches its modern facilities with a trained and competent staff of representatives, backed by research and production chemists utilizing the latest in modern laboratory equipment. In product availability and customer service, Pioneer Salt Company is typical of the outstanding chemical distributors handling Mathieson chemicals. We will be pleased to tell you about a distributor in your area. Write OLIN MATHIESON, Baltimore 3, Md.

MATHIESON CHEMICALS—Ammonia • Carbon Dioxide • Caustic Soda • Chlorine • Hydrazine and Derivatives • Hypochlorite Products • Methanol • Muriatic Acid • Nitric Acid • Soda Ash • Sodium Bicarbonate • Sodium Chlorate • Sodium Chlorite Products • Sodium Methoxide • Sodium Nitrate • Sulfur (Processed) • Sulfuric Acid • Urea

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Bright, modern offices of the sales department typify Pioneer's progressive marketing attitudes.



Liquid chlorine is bottled at Maple Shade, N.J., daily in 100-lb., 150-lb. and 1 ton containers. Chlorine is pumped directly from tank car on siding to filling machines.



TENNESSEE RIVER BOTTLENECK: Collapse of wall in Wheeler Lock put temporary premium on transportation as P.A.'s and traffic managers scurried to find alternate routes for deliveries normally made by barge.

Dam Break Clogs Shipments on Tennessee River

Sheffield, Ala.—Collapse of a wall at Wheeler Lock, which cut the Tennessee River in two, touched off a hunt for alternate routes of supply by purchasing agents trying to get materials to and from eastern Tennessee.

For the short run, many P.A.'s are temporarily forgetting about shipping costs in an attempt to get materials on the move again by any means possible. For the long haul, they are looking forward to a setup that would allow cargoes to be transferred from barge to barge over Wheeler

Dam by pipeline, crane or conveyor.

Such solutions have been discussed at length at joint meetings of TVA representatives and Corps of Engineers officers with oilmen, grain haulers, asphalt producers and other manufacturers whose supply lines are threatened by the tie-up.

A spot check of upriver manufacturers by PURCHASING WEEK turned up these typical supply problems:

• One of Tennessee's largest steel fabricators, which ordi-

narily gets some of its steel from Pittsburgh by barge and some by rail, now will have to switch entirely to rail even though ship-pings costs are \$6/ton higher this way.

• An Alabama metals processing company located a few miles above the lock is stuck with outbound shipments of scrap iron that usually go by barge to New Orleans or Pittsburgh. The firm's P.A. said, "Shipping by rail would probably add 50% to transportation costs, and we consider this prohibitive." For inbound shipments, this P.A. is trying to get his barge company to establish an alternate unloading station below the lock so that raw materials can be transferred to rail cars for the last few miles.

• Probably the most important shipment now bottlenecked above Wheeler Lock is a giant Saturn rocket booster, stranded at Redstone Arsenal, 50 miles upriver from the break. Its first stage, which is 82 ft. long, 22 ft. in diameter and weighs 60 tons, must start on its waterborne trip to Cape Canaveral by July if the Saturn program is to stay on schedule.

Refined petroleum products (gasoline and fuels) must be kept away from the immediate area of Wheeler Dam because of the danger of fire or explosion. TVA has offered to build two, 2,500 ft.-long, 6-in. or 8-in. pipelines to unload barges well above the dam, and load other barges well below the dam. These lines would be constructed and financed by TVA.

For other liquids, TVA has offered to construct pipelines running up and over the dam.

A TVA-appointed committee of liquid shippers recommended construction of these lines at Wheeler Dam: an 8-in. line for penetration asphalt; an 8-in. line for cutback asphalt and bunker C oil; a 6-in. line for chemical products; an 8-in. line for molasses; and miscellaneous lines for water, steam, and air for servicing and cleaning these lines and the barges that will serve them.

Antitrust Consent Decree Signed by Ryder System

Washington — Ryder System, Inc., has settled a Justice Dept. antitrust charge against it by agreeing to dispose of some of its trucks in specified markets. Ryder of Miami, is the nation's second largest truck rental and leasing firm.

A consent decree signed by the company and the government provides that Ryder will sell a total of 400 trucks in five cities: 100 each in Atlanta and Chicago; 75 each in Dallas and Nashville, and 50 in Memphis. The company is also enjoined for three years from acquiring any competing firms in 65 cities specified in the complaint. These are cities in which Ryder is already operating with 50 or more trucks.

Ryder was organized in 1955, and according to the government's complaint, had made 17 separate acquisitions.

The company was charged last October with being in violation of section 7 of the Clayton Act which forbids mergers that tend to lessen competition.

GAYLORD helps you find hidden packaging costs

The packaging costs you don't see do hurt your profit picture. Eliminate them.

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Europe Awaiting U. S. Overtures To International P. A. Association

Oslo—Interest in an international association of purchasing agents is intensifying in Europe, but the feeling is that the next move is up to the U.S.

That was the consensus at the semiannual meeting of the Management Committee of the European Federation of Purchasing, held here during a conference of the Norwegian association. There was general agreement on the desirability of an international association, though no conclusions were reached on the specific form it should take.

Meanwhile, an NAPA committee appointed to study the matter, has reported that it wants to take a longer look at the problems involved. One of the big questions facing the committee is: How would NAPA be tied in with actions taken by the international federation that might be at variance with systems in the U. S.?

Report Expected

A report is expected to be presented at the NAPA's next executive committee meeting in the fall.

The Canadian Assn. of Purchasing Agents has consistently shown an interest in an international organization, and the Europeans feel there is no doubt the Canadians will come in if the Americans do.

One of the leaders of the international association movement is John Blinch, who retired the end of May from the British Purchasing Officers Assn. after 16 years, to start his own consulting business. Blinch is secretary of the European federation, formed in 1958.

In London this week, Blinch put the view of those who support an international association this way: "Business is becoming more and more internationalized. That has a number of implications for purchasing agents. For one thing, as international agencies and international agreements proliferate, purchasing agents need a unified voice to speak for their mutual interests.

"Another is that buyers themselves have become increasingly mobile, and the trend will be accelerated in the future—partly because of the continuing liberalization of trade."

Moreover, notes Blinch, exchange of ideas, techniques, information between national

groups can be of great value, and an international association can be the clearing house for such an exchange.

The Europeans feel that their seven-nation federation is proving the value of an international association. Consisting of groups in Belgium, France, Germany, Holland, Norway, Sweden, and the U.K. it is accomplishing on a more limited scale the basic aims of a worldwide association, its members say.

Plywood Firms Hear New Standardization Plan

Gearhart, Ore.—A new system aimed at stabilizing plywood costs for suppliers and builders was unveiled at the 25th annual meeting of the Douglas Fir Plywood Assn. here.

Key to the system has been the development by the association of standard stock components that will make it possible for suppliers to inventory building parts as they now stock lumber and plywood pieces.

A model school incorporating the standard components was displayed at the meeting by

Stanley A. Taylor, DFPA field promotion director. "School construction is all on a competitive bid basis," said Taylor, "so this is an ideal area to test a new building system."

While development of components has been held back by lack of agreement in the plywood industry on standards, Taylor predicted that eventually they will be used in every area of light construction.

Delegates to the meeting also heard W. E. Difford, executive vice president of the association,

call for more "hard selling."

He said that over the past 25 years the association has developed many programs (such as those for second homes and retirement homes) aimed at helping the industries which use plywood. But, he continued, "We've watched the competition grab them once we've created them."

"To make sure we get the most out of them, you've got to sell as hard as the association does. We aren't even approaching our potential now," he said.

REA EXPRESS IS ON THE MOVE WITH THE MOST COMPLETE SHIPPING SERVICE IN THE WORLD



(more coming!)

Thompson Ramo Boosts Closed Circuit TV Prices

Cleveland—Thompson Ramo Wooldridge, Inc., said it will boost prices on closed circuit television systems by an average of 7%, with some increases to be as much as 25%.

W. R. Gordon, general manager of the firm's Dage Television Div., Michigan City, Ind., said the increases, effective immediately, will range from \$105 on a \$4,000 closed circuit system to \$875 on a \$12,500 system. Prices on some equipment, such as cameras and camera controls, will be raised 25%, he said.

Gordon said the increases were "long overdue," and predicted that other manufacturers will go along with them.

REA Express smashes shipping charges! New facilities, improved services permit lowered costs on all these commodities. And the savings are passed on to you in solid, dollars-and-cents cuts to help you increase profits, slash shipping expense, meet competition. If you ship any of these commodities, check R E A Express first. You'll often find R E A charges lower than motor carrier. Call your local R E A office for specific information.

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Wearing Apparel
Business and Office
Machines and Accessories
Automobile, Truck or
Trailer Parts
Hand Tools, Electric and
Pneumatic
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Sheets, Towels and
Tablecloths
Piece Goods
Abrasives, viz: Cloth,
Paper and Wheels
Farm Implements and Parts
Greeting Cards
Rugs and Carpets
Tufted Textile Products
Typewriters and Parts
Automatic Controls, Electric
Switches, Meters, Thermostats
Casters

Sporting Goods
Drugs, Pharmaceuticals
Insecticides
Silver and Silver Alloys
of Particular Manufacture
Razors and Razor Blades
Toilet Preparations
Office Equipment and
Supplies
Bicycles, Children's Vehicles
Chains, Belting, Sprockets
and Similar Items
Photographic Equipment
and Supplies
Hand Tools other than
Electric or Pneumatic
Builders' Hardware, Specialties
and Related Articles
Biological Products
Laboratory Equipment
Surgical and Medical
Instruments and Supplies
Fire Extinguishers and Parts

Pencils, Ball Point Pens
and Related Articles
Manufactured Tobacco
Products
Machinery and Machine Parts
Chewing Gum
Firearms and Ammunition



Management Memos

The Color of Your Money

Uncle Sam is toying with the idea of adding big splashes of color to all denominations of paper money \$2 and higher. The \$1 greenbacks would be left as they are.

The change, proposed by Mrs. Elisabeth Rudel Smith, Treasurer of the United States, would be made strictly for utilitarian reasons—esthetic values don't enter into it at all. The object: to reduce the possibility of mistaking bills of different denominations by using distinctive coloring to ease the problem of identification.

People who oppose the change do so on the grounds that it would make things a lot easier for counterfeiters—as well as for comedians who would have a field day heckling the government about "funny money."

There are 11 denominations of bills currently in circulation—\$1, \$2, \$5, \$10, \$20, \$50, \$100, \$500, \$1,000, \$5,000, and \$10,000—but since 1945 the government has printed nothing larger than the \$100 bill because of the small demand for the larger denominations. The present greenback which has been in use for only 33 years was preceded by bills that included a variety of patterns, including black and gold.

If a change is made, the U.S. would be following in the footsteps of many other countries, among them France and England, which issue bills in distinctively colored patterns to make identification easier. The change, if adopted, would be gradual.

Filing Made Easy

P.A.'s who adopt the SIC coding system that makes its bow in P/W's New Product section in this issue (see Product Perspective, p. 28) will have taken a big step toward the computer filing system of tomorrow.

Data processing experts say the time is not too far off when all the specifications on a new product—and the suppliers—will be neatly tucked away

in the computer's brain. To tap this information, you simply will query the machine by using the appropriate SIC code number, and the computer will print out a list of products that could fill your needs. But the key to any such system, the computer experts stress, is a standard designation for the new product—and that's precisely what the SIC code provides.

Right now, SIC codes are being used mostly by industrial market researchers and statisticians to classify sales, production, and other data by industry. For example, a company will break down its sales by industry group and then figure out where it's most profitable to concentrate its marketing efforts. Another application is made by McGraw-Hill's *American Machinist* metal-working manufacturing magazine, which prepares its widely used inventory of machine tools in some 45,000 U.S. plants on the basis of SIC numbers.

A detailed explanation of SIC, together with all codes, is contained in the Standard Industrial Classification Manual, which is available from the Government Printing Office, Washington 25, D. C. Price \$2.50.

Government Procedure

Government procurement methods are clearly outlined in a booklet prepared by the General Services Administration, titled "Doing Business with the Federal Government."

The booklet is designed, GSA says, to encourage more small business to compete for government jobs—by clearing up some of the mysteries of government purchasing. It covers, among other things, such matters as bidding procedures, negotiations, the types of materials each agency buys, and the like. Free copies of this 58-page publication are available from: GSA, 18th and F Streets, N. W., Washington 25, D. C.; local GSA offices; Dept. of Commerce, or any Small Business Administration Office.

Purchasing Parade

Personal glimpses of P.A.'s as they march by in the news



Purchasing has more than its share of men who go in for the strenuous life—and now that summer is upon us, the athletic P.A.'s are stepping up their activities in field and stream, on the baseball diamonds and everywhere else that sports enthusiasts forgather. For example:

• **Wilton L. Brown** (above, right) was elected president of the Illinois Athletic Club. Brown is **Director of Purchases for The Peoples Gas Light & Coke Co.** (Chicago); member of the P.A.'s Assn. of Chicago; Chicago Assn. of Commerce and Industry; and Masonic Fraternities.

• **Thomas B. Jacob**, former **Purchasing Director of Cadillac Plastic and Chemical Co.** and newly appointed **manager** of the firm's Toledo warehouse, is also hunter, skier, fisherman and flyer.

Presently a student pilot, Jacob is now working on his license, which

will take him up to the trout streams of Michigan for some fly-fishing.

• It's a refreshing week-long cruise down the Sacramento River for **C. L. Scott** (seen far right in his boat, the "Sea Scot") for his vacation this August.

New **Purchasing Manager of Space Technology Laboratories, Inc.** (Los Angeles), Scott spends as much of his free time as possible in or on the waters of Lake Tahoe, the Colorado River and local waterways. His interests in water sports go back to his school days when he held the backstroke swimming title for the Michigan Junior College Athletic Conference. Since then he's been active in water-skiing and boating.

Scott and his companions for the cruise this summer are members of the Centinela unit of the U.S. Power Squadron, a national organization of yachtsmen and boat-owners. The completion of the trip in Scott's 18 ft.,



60-hp, outboard motor boat, will mark the end of the squadron's seamanship course.

• **T. K. Reed**, new **General P.A. for General Box Co.** (Des Plaines, Ill.) is a St. Louis Cardinals fan ("win, lose or draw") and at the same time is trying his hardest to make a baseball player out of his four-year-old grandson, Stephen. And in case Steve doesn't turn out to be a big leaguer Reed plans to work on his younger brother—less than a year old.

• And it's like son, like father with **G. Donald Steele, P.A. for Bradley Semiconductor Corp.** (Hamden, Conn.) who's recently become an avid baseball fan since his son, Timothy, 13, started playing outfield for Hamden's boys' team.

When he's not watching ball games, Steele, who majored in industrial engineering at Yale, devotes his spare time to his amateur radio rig.

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Purchasing Week Asks

In what ways do you encourage buyer initiative?



Max Bauman, manager, purchases, National Broadcasting Co., Burbank, Calif.:

"There are many ways but the most important is for a supervisor to show confidence in the buyer's ability to handle delegation of authority and responsibility and to defend him against unjust criticism. Of equal significance is making the buyer feel that his job is valuable to the over-all company operation. These goals can best be accomplished by proper training and development of his abilities and by giving him an opportunity to share in decision making."



P. H. Schlesselman, manager, purchasing department, Denver Post, Denver:

"We believe diversification of duties makes a job more interesting, giving the buyers more initiative. We urge them to check new products and constantly to check the prices they are paying for various items to see if the same quality can be purchased for less. Buyers change desks periodically with one another to familiarize themselves with all facets of purchasing. In addition to buying, many other projects come under purchasing—operating car fleet of 100 cars, control of all photographic equipment, duplicating and paper cutting departments, etc."



E. C. Karl, director of purchases, International Paper Co., New York:

"We encourage initiative by delegating to our buyers certain responsibilities and authority and by respecting their judgment and knowledge within these areas. Also, the informal atmosphere of our purchasing meetings encourages free expression of opinion."



W. S. Strout, vice president of purchasing, Oak Mfg. Co. (switches, rotary solenoids, choppers, etc.), Crystal Lake, Ill.:

"Make the buyer aware of the confidence you place in him as an individual and that his particular activity plays a major role in the over-all success of the company operation. Once this feeling is instilled within an employee, one of the prime benefits will be individual initiative. It is also extremely important to let a buyer know when he has done a good job and, of course, this can be accomplished in numerous ways."



R. K. Bremer, director of purchases, Dura Div., Dura Corp. (auto & refrigerator hardware), Toledo:

"In our organization we set a target for the purchasing department as a whole. At the end of each month each buyer's performance is measured against this target. His performance is then reviewed with him and is compared with the department as a whole."

Next week—July 3

Six purchasing agents answer this question:

When should a vendor be held responsible for excessive freight charges?

Suggest a Question to: PURCHASING WEEK Asks
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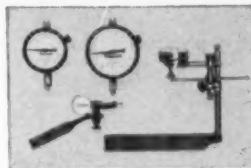


Starrett® precision in practical packages

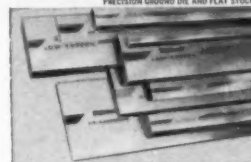
Next to precision and reliability, convenience is the big reason shop men swear by Starrett products. For example, feeler stock is now available in 25-foot rolls in a new rewind-dispenser metal case that lets you wind out the length you need, wind back the excess for complete protection. Also 12-inch lengths or boxes of 12 pieces in a choice of 27 thicknesses from .001" to .025" — or a 108 piece assortment.

New Starrett satin finish stainless steel radius gages illustrate the way many Starrett tools are furnished — in attractive, protective cases designed for instant selection of the right tool for the job.

For more information about these and the many other fine Starrett products, call your nearby Industrial Supply Distributor or write for complete Catalog No. 27. Address Dept. P.W., The L. S. Starrett Company, Athol, Massachusetts, U.S.A.



DIAL INDICATORS AND GAGES

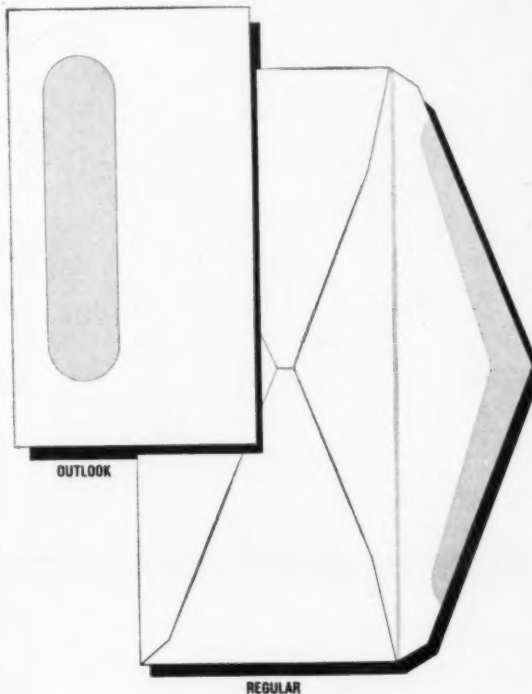


PRECISION GROUND DIE AND FLAT STOCK



HACKSAW, HOLE SAW, BAND SAW, BAND KNIVES

World's Greatest Toolmakers

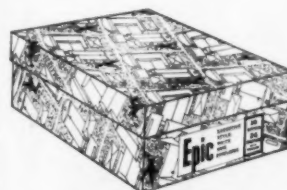


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Purchasing Week Goes to Worcester County P.A. Clambake



(1) UNVEILING: P.A.'s take lobsters, clams from steaming pit.



(2) TESTING: Incoming club Pres. Bart McMillan tests first clams.



(3) FROM PIT TO POT: Clams from the pit cascade into trays.



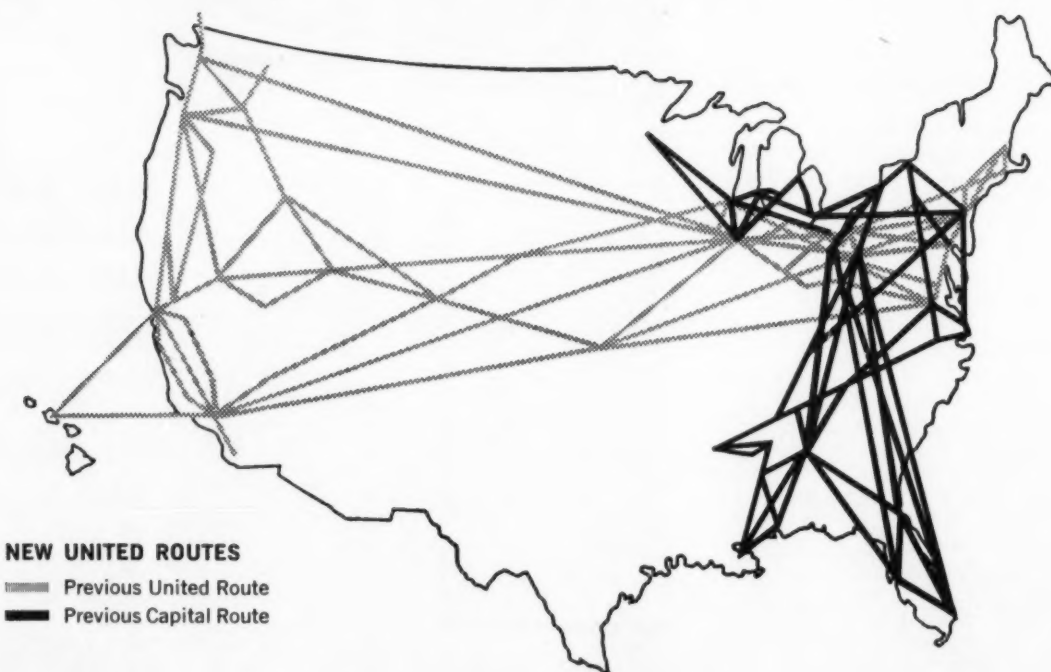
(4) HEFTY SERVINGS: Hearty appetites required 16 bu. of clams.



(5) PACKING 'EM IN: P.A. Leon Corner has second helping.



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Now United offers one airline service to 117 U.S. cities, including the 103 top markets, coast to coast and in Hawaii. And United serves more U.S. cities by jet than any other airline...with the world's largest jet fleet. For your next shipment, call your Freight Forwarder or your nearest United office.



WORLD'S LARGEST JET FLEET
KNOWN FOR EXTRA CARE

Buyers, Salesmen Team To Down 350 Lobsters, Mountain of Clams

Worcester, Mass.—“The best way I know to talk to a salesman is when his mouth is full.”

This bit of down east philosophy from a local P.A. set the tone for the old-fashioned New England clambake pictured above. As the pictures demonstrate, neither rain nor cold, nor the presence of a PURCHASING WEEK photographer, could dampen the lively spirits of those who attended this annual outing of the 35-year-old Worcester County Purchasing Agents Club.

The 150-member group played host (in pouring rain) to some 150 salesmen and heads of nearby manufacturing firms, and held a golf and horseshoe tournament in the bargain.

But the star of the show was a trailer-full of Maine clams. Along with them went 350 chicken lobsters and two 10-gallon cans full of sweet and white potatoes.

“Our clambake,” said Alfred C. Pratt, the club’s outgoing president who is P.A. of Lodding Engineering Corp. in Worcester, “is one reason our relationships with suppliers are so good in this area.”

“There’s nothing like a good time together to ease the tensions that are bound to build up these days between purchaser and supplier,” is the way Ralph V. Miller, David Clark Co. P.A. and the club’s senior director, put it.

Local suppliers were out in full force—as were P.A.’s from other associations. A large delegation from the Western Massachusetts P. A. Assn. showed up, as did members of the New England Association, to which many of the Worcester club belong. Also present was the 84-year-old dean of New England purchasing agents, Marcus White, former director of purchases at Norton Co., and ex-president of the Worcester association.

Salesmen carried off the top honors in the golf tournament. Top prizes in the “hole in one” event went to U. S. Steel Supply salesman Jim Swim, Mill & Factory Supply Co. President Bernard Bruso, and Revere Copper & Brass salesman Fred Sweeney. Walking away with booby prize honors: Don Walker, Harrington & Richardson Co. P. A.

The P. A.’s recovered some of their lost prestige in the horseshoe contest, when Ray-O-Vac P.A. Dante Serra shared honors with partner Ralph Herman, salesman for Palley Office Supply Co. Second prize went to Jack Kenney, owner of Ken-Weld Co., and John Stubbart, Washburn-Garfield Co. salesman.

Industry News in Brief

GE Signs Southern

Bladensburg, Md.—General Electric Co. has appointed Southern Oxygen Co. here as a wholesaler and warehouse outlet for the tungsten electrodes made by its Lamp Metals and Components Dept. The electrodes, which range in length from 3 to 24 in., are used in inert gas shielded arc welding.

Name Changed

Franklin Park, Ill.—Indiana Cap & Set Screw Co. has changed its name to FASTRON Co.

Harvey Opens Office

Cleveland—Harvey Aluminum has opened an office here to serve metal users in the Ohio area. One of six producers of primary aluminum in the U.S., the company is a major supplier of aluminum mill products. It also produces titanium, zirconium and other special metals.

DM&S Merges

Los Angeles—Ducommun Metals & Supply Co. will enter the field of electronics distribution by merging with Kierulff Electronics, Inc., which serves the West Coast area from warehouses here and in San Diego. Ducommun already distributes industrial supplies, steel, aluminum, brass and copper.

CEIC Acquires Thompson

Tulsa, Okla.—Thompson-Hayward Chemical Co. has been merged with Consolidated Electronic Industries Corp., a worldwide organization engaged in the utility, electronic, pharmaceutical, and transportation businesses. Thompson-Hayward manufactures chemicals for industrial, agricultural and feed supplement uses.

Continental-Emsco

Indianola, Neb.—Continental-Emsco Co. has opened a new oilfield supply store and sub-surface pump shop here.

Smith-Corona Buys

New York—Smith-Corona Marchant, Inc., has acquired St. Louis Microstatics Co. through an exchange of stock. Smith-Corona said the St. Louis firm has developed a toner that will serve as an important component in electrostatic photocopy equipment which S-C plans to place on the market.

PC to Buy

Hagerstown, Ind.—Perfect Circle Corp., a manufacturer of piston rings, has agreed to purchase Schellens True Corp., Ivoryton, Conn., which produces turbine blades and wheels for use in jet engines and missiles as well as for various industrial applications.

CM Enters New Field

Chicago—Continental Materials Corp. has broken into the education supply field by acquiring Feldco, Inc., a manufacturer of ring binders for notebooks and other school equipment. Continental, a diversified mining and manufacturing company, said it

plans to increase its stake in the educational field through other acquisitions and product development.

BFG Modernizes

Akron, Ohio—B. F. Goodrich Co. said it is investing an additional \$2-million on expansion and modernization of its tire production facilities here. Work on the expansion, designed to improve and enlarge facilities

for production of airplane and off-the-highway tires, is now under way and is expected to be completed before the end of 1961.

Cerro Buys

New York—Cerro Corp. has acquired Viking Copper Tube Co., Cleveland, a producer of thin-wall copper tube for the air-conditioning and control instrument industries. Cerro said it will operate Viking as a subsidiary.

NEW PACKAGING: Westinghouse Electric Corp.'s Meter Div. at Newark, N. J., uses high-density polyethylene as basic material for new protective caps used to package switchboard instruments. Caps are snapped on both ends, positioning instrument firmly. Concentric end sections enable stacking before and after use, permit utilization with different size instruments. Westinghouse claims caps (left) save space, costs, weight, and packaging time in comparison to the method formerly used (right).



New Twin-C Sorbette unfolds by itself

Read how new Twin-C Sorbette can help you stop washroom waste

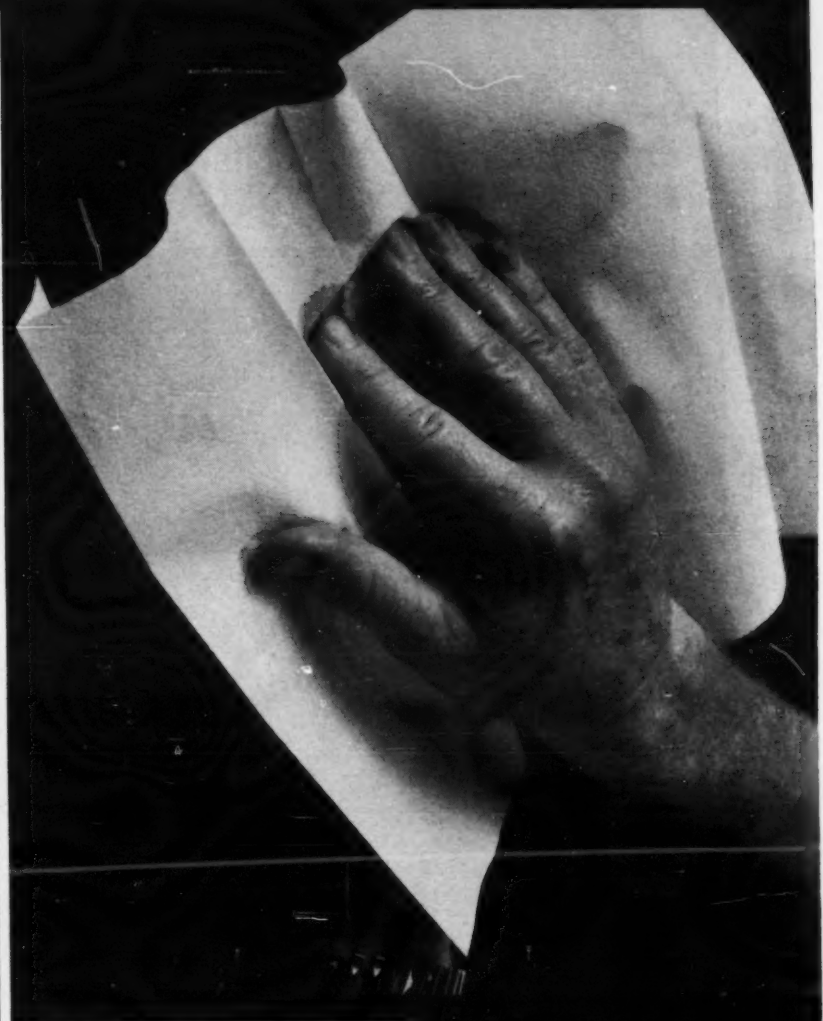
An exclusive new folding method makes it possible for you to enjoy substantial savings in towel costs. Here's why:

The Twin-C Sorbette is the only C-fold towel that actually unfolds itself as it is pulled from the dispenser. The full drying surface is instantly exposed—ready for use—without fumbling or unfolding.

The Twin-C seems twice as large as ordinary C-fold towels. Therefore users are less likely to take unnecessary towels. Typical washroom installations result in savings of 10 to 40%!

Twin-C Sorbette is made only by Crown Zellerbach, but fits any standard C-fold dispenser.

For samples and more information, contact your nearest Crown Zellerbach distributor. Or write us at One Bush Street, San Francisco, California.

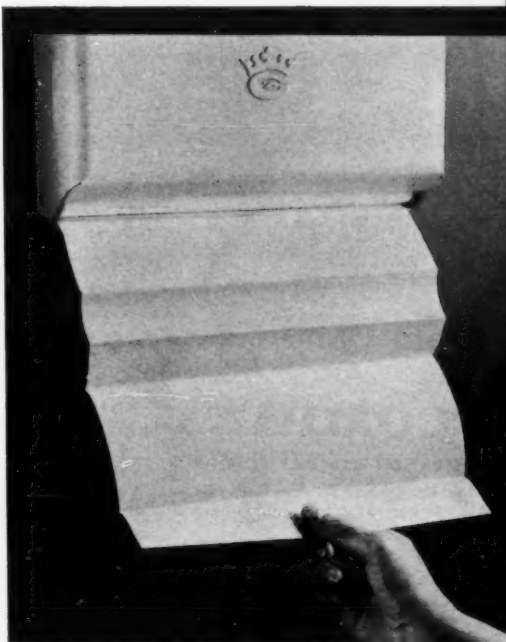


Look at the difference in drying size.

The Twin-C Sorbette unfolds automatically as it is pulled from the dispenser. With conventional C-fold towels, more than half the drying surface stays hidden, and most users don't bother to unfold the towel—they grab an extra one instead.

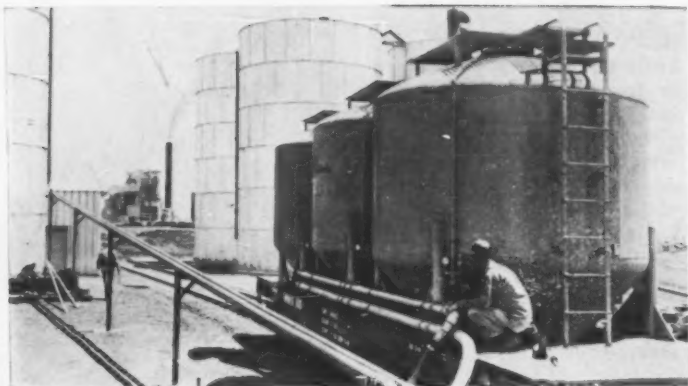
Sorbette®

Twin-C Pat. Pending



CROWN ZELLERBACH
Distributor Sales Division

In Canada address product inquiries to Crown Zellerbach Limited, Vancouver, B.C.



THE AIRJET: New tank car, developed by Pullman-Standard and the Halliburton Co., is designed to discharge bulk materials (barite, lime, sand, coke, etc.) by air pressure into plants, storage bins, vehicles.

Answer a 'Panic Call'

Computer Speeds Repair Work for Duke Power

Charlotte, N. C.—A locally based public power company has licked two tough inventory problems with EDP.

• It formerly took Duke Power Co. about three weeks to get a transformer to a burn-out location, often under "panic call" conditions. A home-office IBM computer now keeps 21 rural stocking warehouses well supplied, trim, and allows a maximum "automatic reorder" time of only

11 days. But six days is more the rule.

• Transformer specifications used to be laboriously hand-typed on Duke's purchase orders (a typical case required 172 words of description). Now, the company has condensed these into a brief code readily translatable from books given both Duke's suppliers and buyers. The new encode-decode format works simply and cuts confusion, saving

60% in clerical work time according to the company.

Dollar savings on field distribution-point inventories alone are impressive: \$500,000 to date. But Duke's management believes the specification code will save even more money in the long run than the automatic replenishment set-up. Duke's management is working to get its suppliers to accept the code, by showing them how it cuts their invoice-preparation time as well as Duke's purchase-order type-out time.

The company hopes that when and if the electrical industry adopts such a time-saving method, it will turn to this prototype code system.

Duke's inventory control problem is fairly representative of those faced by electric utilities which serve both urban and rural areas. Its warehouses dot two states, and all handle roughly the same types of gear. With such a diffused warehousing network, Duke's purchasing department used to have a tough time keeping inventories low without taking undue risk that field crews would remain idle because of stock-outs.

Still in Test Stage

Now, while it's still testing the EDP system, Duke has integrated only five types of transformers, but will soon work in other such widely used items as meters, poles, wire, and street lights. Duke gave the five pilot types of transformers first crack because they make up 90% of the company's unit transformer purchases. This amounts to 85% of the transformer dollars Duke spends.

Under the old re-order process, the company had bought transformers by reviewing hit-or-miss monthly reports, which field people spent several days preparing each month. The home office estimated need-to-buy requirements as best it could, but their action was further slowed by a policy which required three people to review each proposed order before purchasing could make up a purchase order. Duke's management switched to EDP because it realized the tedious system was costing "thousands of dollars" in excess inventories for the company and in idle line-crew expenses.

Aids Supplier Selection

Duke's new IBM methods also make light work of supplier selection. Each week, the company's six regular transformer suppliers send in statements of their current inventories on the five "keyed-in" transformer types. Duke's purchasing agents don't have to call all over the country to find out which suppliers can fill the order.

A glance at the supplier's reports tells a buyer which one has the right transformer at the best location.

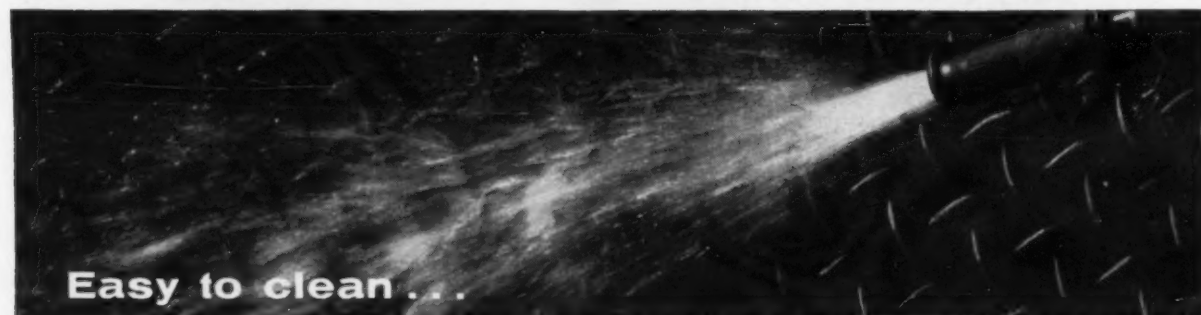
As for the specification code, Duke's buyers have found that its suppliers welcome the invoice-paperwork relief afforded by the IBM computer. The complexity of the data encoded amid 3,200 possible combinations is seen in the array of transformer equipment handled by Duke: 187 transformer models, and 774 voltage classifications.



Easy to fabricate

Shear, form or weld A.W. Super Diamond with standard shop equipment. Pattern matches any angle.

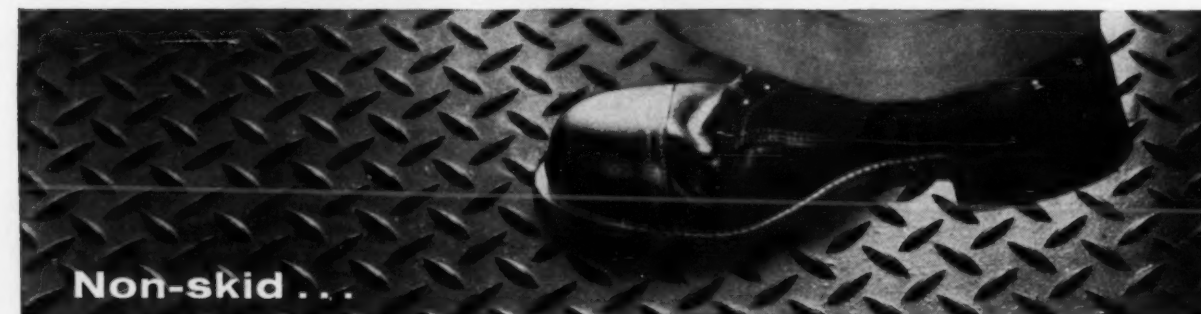
SUPER DIAMOND



Easy to clean...

Sweep, hose or mop A.W. Super Diamond. Water drains off in all directions. No pockets to hold dirt.

FLOOR PLATE



Non-skid...

Reduces slides and slips. Super Diamond puts safe footing on steps, ramps, aisles; aids traction even if wet.



Write for Bulletin SDS12



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Buffalo Assn. Reports Businessmen See Economy Continuing to Improve

Buffalo, N.Y. — An overwhelming percentage of businessmen in this area expect general economic conditions will continue to improve in the second half of the year, the Purchasing Agents Assn. of Buffalo reported.

According to the association's monthly business survey, 83% of the respondents think conditions in the second half will be "somewhat better" than in the first half. The rest said they anticipate "very much better business conditions in the second half."

No one said he expected business to stay the same or get worse.

Other highlights of the survey, conducted by A. M. Judd, chairman of the Survey Committee:

- 63% of the respondents reported that business conditions in May were better than in the previous month. This compares with 58% who reported improvement in the April survey.

- The percentage of businessmen who reported no change in the level of their May business rose to 20% from 25% in the preceding month's survey, while the percentage claiming poorer conditions fell from 17% to 8%.

Los Angeles Department Files Eighth Damage Suit Against Electrical Firms

Los Angeles—The City Dept. of Water and Power filed the eighth in a series of triple damage suits in which it is seeking to recover a total of \$17,046,480 from major electrical equipment firms charged with price fixing.

Defendants in the latest of the suits filed in U. S. District Court here are Westinghouse, Allis-Chalmers and General Electric. The department is asking for damages of \$4,632,000 on the grounds that it was overcharged by \$1,544,000 on the purchase of turbine generator sets.

At the same time the Board of Water Power Commissioners said it will require stiffer noncollusion certificates in readvertising for bids on electric meters. Earlier this year the city received identical bids of \$145,206 from four companies on a contract for supplying 6,960 meters.

Tenneco Oil, Nicoll Bros. Win Contracts in Denver

Denver—Low bidders to supply 120,000 gallons of gasoline for the city's vehicles during the next year were Tenneco Oil Co. and Nicoll Bros. Oil Co.

Tenneco bid 11.8¢/gal. on 88-octane gas, and 13.68¢/gal. on 95-octane gas—to be delivered in bulk quantities at the city highway shops. Nicoll Bros. bid 18.49¢/gal. for 88-octane gas, and 20.99¢/gal. for 95-octane gas, to be delivered in smaller lots to fire and police pumps.

Lowest Bid in 8 Years

Milwaukee—Diamond Crystal has submitted a low bid of \$13.80/ton for rock salt, the lowest salt bid received by the city of Milwaukee in eight years. Two other firms submitted bids of \$15.10/ton.

City purchasing agents said it was the first time in years they have received nonidentical bids on rock salt for city streets.

Kordite to Build

Tyler, Tex. — Kordite Co., Macedon, N.Y., plans to build a \$1-million factory here for the manufacture of polyethylene films for packaging applications.

Meetings You May Want to Attend

First Listing

American Society for Testing Materials—Annual Meeting, Chalfonte-Haddon Hall, Atlantic City, N. J., June 25-30.

American Society of Mechanical Engineers—Joint Automatic Control Conference, University of Colorado, Boulder, Colo., June 28-30.

Western Plant Maintenance & Engineering Show—Pan Pacific Auditorium, Los Angeles, Calif., July 18-20.

Purchasing Agents Association of

Florida—9th Annual Purchasing Institute, Tides Hotel, Redington Beach, Fla., July 19-22.

Eastern Hardwares Show—N. Y. Coliseum, Aug. 7-10.

Industrial Distribution Conference—Statler-Hilton Hotel, Cleveland, Sept. 11-12.

Previously Listed

JUNE

International Truck, Trailer and Equipment Show—Brooks Hall, San Francisco, June 28-30.

JULY

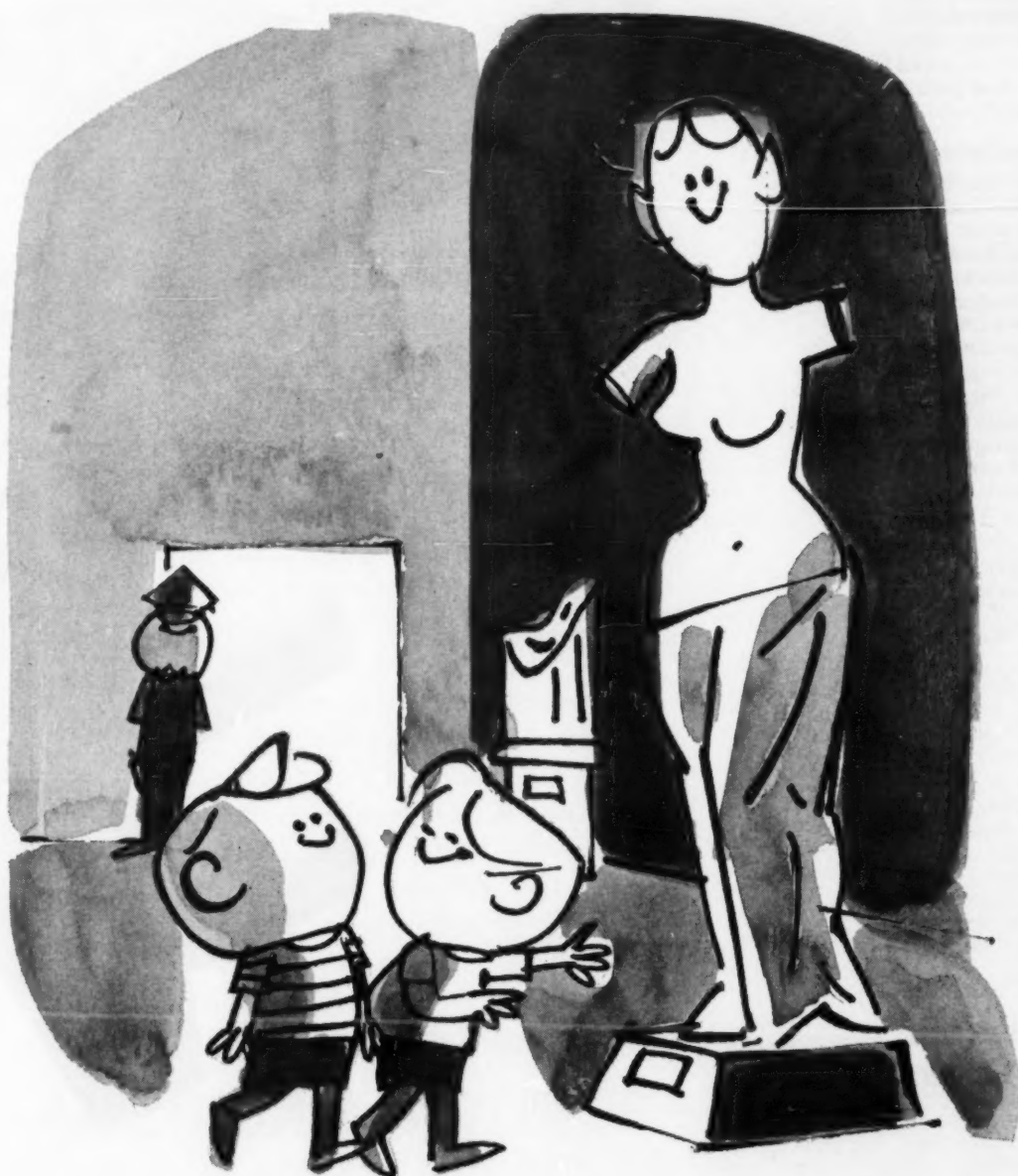
Institute of Surplus Dealers—16th Trade Show, New York Trade Show Building, July 30-Aug. 2.

Western Plant Maintenance & Engineering Show—Pan Pacific Auditorium, Los Angeles, July 18-20.

Chicago International Trade Fair—McCormick Place, Chicago, July 25-Aug. 10.

AUGUST

Maine Products Show—Augusta State Armory, Aug. 23-25.



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Lead, Zinc Tags Seen Bottoming Out After Production, Inventory Cutbacks

(Continued from page 1)
backs aimed at a 3% reduction in world lead output.

In addition, individual company curtailments have added to the production slowdown. The latest came when Standard Metals closed all its properties—including its 2-million-ton lead-silver-zinc ore deposit at Sunnyside, Colo.—until, in the words of President W. R. McCormick, "such time as the price situation in lead and zinc improves".

Zinc production has dropped for the past two months—from 78,000 tons in March to about 73,000 for May.

As a result, zinc producers stocks also fell over 4% during the same period (see chart). For lead the April figures (the latest available) do not reflect the production cutbacks noted above. It's likely, however, that when the May results are in, lead stocks will show the first paring in the last 14 months.

Barter Plans May Help

Barter agreements stemming from the Mexico City meeting are another development that could considerably ease the world excess inventory situation in lead. According to these arrangements, the U.S. government exchanges surplus agricultural products for lead from producer stocks in friendly countries. The lead must have been stocked before 1961—a provision designed to avoid stimulating production.

Several of these transactions are being negotiated. Two reported definitely in the works each involve \$10-million worth of lead from Consolidated Mining and Smelting Co. of Canada and Broken Hill Associated Smelters of Australia.

But it's primarily the rate of consumption that will determine how quickly producers' lead and zinc stocks will go down.

"Consumer inventories in both lead and zinc are down to the bone," observed one large mining company executive. "Once they're confident that prices won't go any lower, buyers will start building up their inventories, and surplus stocks will melt away quickly."

Past ICC Commissioner Blasts For-Hire Carriers

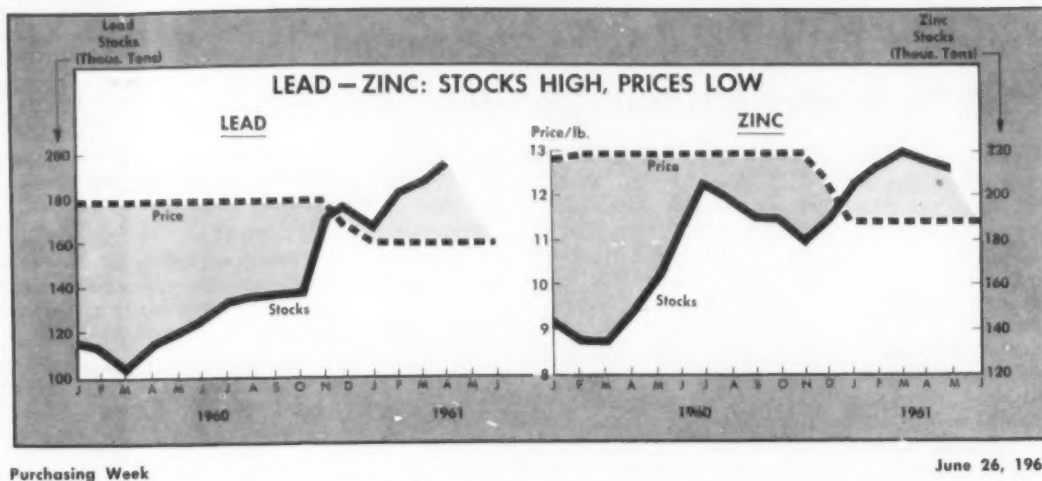
Los Angeles—Rates of regulated carriers are higher than they should be partly because "exempt and illegal for-hire" carriers do their best to keep them high, Anthony F. Arpaia, REA vice president for International Services, told the Western Transportation conference here.

Lashing out at the "misconception" that regulated carriers deliberately keep rates high in an effort to "gouge" the public, Arpaia pointed out that the profits of unregulated carriers are measured by the level of regulated carriers' rates.

All the for-hire carriers must do is shade regulated rates a little in order to attract business, said the former ICC commissioner. "It is almost unbelievable that unregulated carriers would have the gall to protest rate reductions by regulated carriers, but it has happened."

The recent pickup in sales indicates that buyers are beginning to feel that prices have reached their low point, even though the seasonal slowdown may delay a tag boost.

Industry analysts say automobile industry demand holds the key to lead-zinc price trends. If car sales pick up strongly after the new models come out, the resulting increase in demand for lead and zinc is likely to send prices above current levels.



Transportation Memos

FREIGHT CAR SHORTAGE: Demand for freight cars may outstrip supply if there is a real upsurge in the nation's economy later this year, ICC chairman Everett Hutchinson told the Senate Commerce Subcommittee.

To encourage more freight car building, Hutchinson asked that the ICC be given authority to raise the rate which railroads charge each other for renting freight cars—now fixed at \$2.88 per day. He claims construction of new cars is being held to a minimum because at the present rental rate it is cheaper to lease a car than to build one.

In general, Southern and Western railroads supported the ICC chairman's stand, while the car-short Eastern carriers opposed it.

CUBE RATES: The new REA cube rates provide substantial savings for shippers who either reduce the cubic volume or the number of pieces of their shipments. Here are some examples of how the new rate system, which discards the conventional weight-times-distance method of computing charges, works out.

On a hypothetical 60-lb. shipment moving the 650 miles between Syracuse and Chicago, the tariff, depending on the various piece and cube characteristics shown, would be:

Count	Count Charge	Volume	Volume Charge	Total Tariff
2 pieces	\$2.20	3 cu. ft.	\$1.35	\$4.55
2 "	3.20	2 cu. ft.	.90	4.10
1 "	2.15	2 cu. ft.	.90	3.05
1 "	2.15	1 cu. ft.	.45	2.60

GIVE AND TAKE: On the heels of the ICC's unusual reversal of decisions to permit the Southern Motor Carrier Conference to raise rates 6% between East and West, the Commission suspended, pending investigation, a 10% increase (with \$1 maximum) between South and Midwest—something which has been the accepted trend throughout the country.

CONTAINER LIMITATIONS: Large truck-size containers are not practical in the trans-Pacific trade and may never be, according to Donald L. Dullum, president of Encinal Terminals, San Francisco.

His reason: In both Hong Kong and Japan, piers, streets and factories are not constructed to handle truck-size cargo containers."

FLANK ATTACK: The Regular Common Carriers Conference reports that a number of shippers have withdrawn voluntarily from fringe area activities heavily criticized by the Conference in complaints to the ICC earlier this year.

The RDCC directed its fire primarily against shipper associations created to secure low volume rates by pooling members' freight. The regulated truckers claim that some of these associations actually have been offering for-hire services without ICC authority.

While the ICC has not yet ruled on the legality of these operations, the truckers believe their complaints have served to make shippers think twice about becoming involved in such groups.

LONGER ROUTES: Two water carriers have asked the ICC to enlarge the geographic scope of their operating authority.

John I. Hay Co., which serves the Mississippi River, the Gulf Intercoastal Waterway and connecting waterways in Louisiana, wants permission to serve all points in the Mississippi River-Gulf Coast. Ogelbay Norton Co., now authorized to serve points on the Great Lakes and on connecting and tributary waterways as far east as Ogdensburg, N. Y., asked that its authority be extended to cover all points on the St. Lawrence Seaway and its tributaries.

MERGER IN THE WIND: The Civil Aeronautics Board has taken the initiative in trying to arrange a merger for Northeast Airlines. The Board took the occasion of Northeast's application for a renewal of its New York to Florida route to order an investigation into whether "the integration of the routes of Northeast and another air carrier into a unified system . . . would be in the public interest."

WHISTLESTOPS: The Senate passed a resolution authorizing the President to proclaim a National Transportation Week in May of each year . . . T.I.M.E. Freight, Inc., asked ICC permission to acquire interstate carrier authority of M. C. Slater, Inc. between St. Louis and Chicago . . . Port of New York Authority's \$90-million program to modernize two miles of Brooklyn's waterfront took a big jump ahead with the opening of a three-berth pier for Japan's NYK line.

AIRfreight on the ASTROJET*

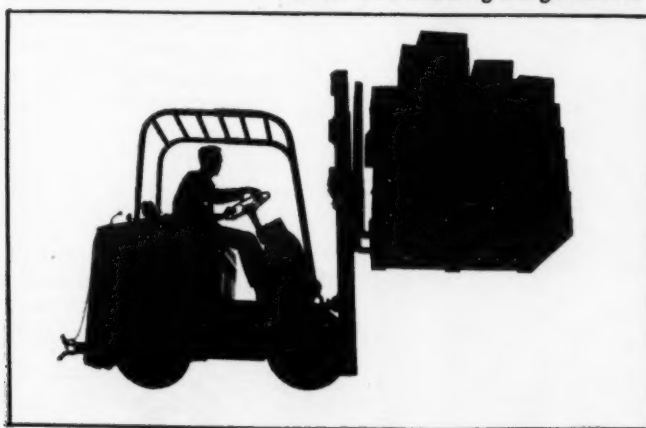
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Purchasing Week's Professional Perspective



CONSULTANT MARTIN L. LEIBOWITZ

Assistant Director, Systems Research Group

Discusses This P/W Headline

'Computers Help Military Procurement Officers'

(P/W 6/12/60)

Computer evaluation of bids is now a reality, and the methods used by the Military Petroleum Supply Agency are sure to spread to commercial purchasing operations.

The jet fuel buying problem described in the article headlined above is similar to many industrial situations—a number of supply sources, varying prices, and traffic routes to point of use. The computer takes the costs associated with each one and ranks all the alternatives in order of preference. This method has been used for transportation problems, too, and was described in the May 29 issue.

These computer applications go beyond the data processing stages of punch cards and tape-written purchase orders. They involve juggling many inter-

related factors—more than one man can keep in his head—according to a pre-planned method of machine analysis called the computer program. The transportation and fuel program is only one of the advanced computer applications now in the development stage.

For example, recent work has led to procedures for timing purchases so as to capitalize on market price movements. Thus, given a schedule of demand, price forecasts, level of accuracy of these forecasts, and storage capacity, a computer can determine a purchasing policy which will minimize both procurement and inventory costs. For materials characterized by a fluctuating market price, the value of such a system can be very significant.

Another important opportunity for the use of computers is in the storage and evaluation of vendor performance information. On the simplest level, such a system could store information on the product lines and performance history of thousands of vendors. Whenever a particular set of product demands arose, this computer could construct a list of potential bidders for each item. In addition, the history of the relations with any given vendor could be provided.

At a slightly more sophisticated level, the computer could be programed to rate the vendors in terms of pricing, product quality, delivery record, and the like. It would then be possible for the computer to recommend a bidder list for each procurement.

Eventually the computer will be able to evaluate the bids and actually write out the order. Past performance as well as price, discount offers, transportation rates, and quality standards involved in the present bid could be taken into account.

Although this stage is still a couple of years away, programmers now are working on the mathematical "language" which helps solve many of the problems



Acme Double Pitch Chains were developed for industries requiring the use of high grade precision chains at a lower cost than the standard series. Acme has developed these chains that are highly adaptable to slower speed power transmission drives. These are widely used in materials handling conveyor systems, by using round parts of the standard chain series and doubling the chain pitch. Acme Double Pitch Precision Chain is available in standard steel and in stainless steel up to 4" pitch for all conveyor systems.

For efficiency and universal usage at low cost for your conveyor system, investigate Acme Double Pitch Chains at your local Industrial Distributor soon.

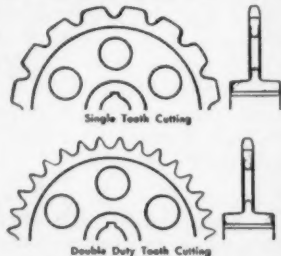
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involved in bid processing and evaluation. However, one of the most exciting prospects for the relief of bid drudgery and paperwork is that of integrated bid handling by computers. Here's how such an operation might work:

In the first phase, a schedule of the projected demand for each item is fed into the computer along with the market price forecasts for that item. The computer then develops recommendations for the amount which should be purchased at the current market level. In the next phase the order quantity which has been decided upon is introduced into the computer. The computer takes into account the cost and time of bid processing and the bid deadline, and then figures out how many bids should be solicited. It then searches the vendor data file to find the most promising sources for solicitation.

For each vendor qualifying for the bidder list, a bid request is automatically written. Upon receipt, the bids (including the prices, discount offers, delivery guarantees, etc.) are fed into the computer. An evaluation is then carried out which takes into consideration the present bid, the vendor's past performance, and any other relevant factors such as transportation costs. Finally, one or several vendors are recommended, along with the

most economical traffic routing assignments for each.

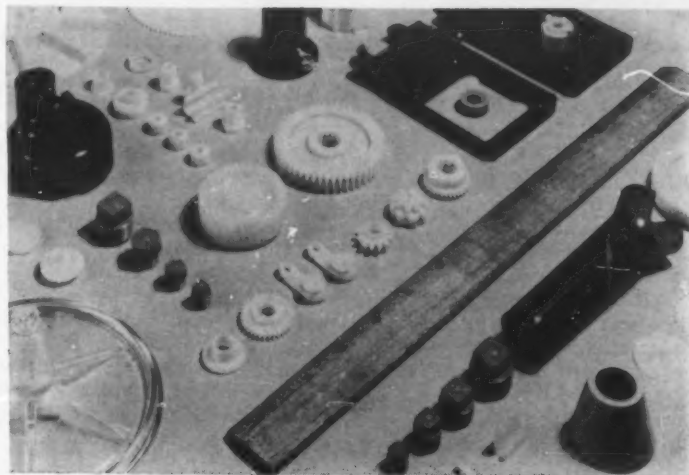
The important point is that computers can provide a number of aids to the purchasing agent faced with bid handling problems. To make use of these opportunities for computer assistance, the interested P.A. should ask himself the following questions:

• In what parts of my bid handling operations are the greatest cost reductions possible?

• Which portions of my operation can be spelled out most completely in terms of definite factors and numbers?

If any of your problems meet these two criteria, then it's likely that computers can help you.

NEW FACILITIES: Expanded injection molding facilities of Russell, Burdall & Ward Bolt and Nut Co. now provide a wide range of thermoplastic products. Typical parts (shown right) are made of Delrin, nylon, high impact styrene, and other thermoplastic compounds. They include gears, blowers, fasteners, cams and threaded pipe plugs. Special pigmenting machinery for quantity production of colorable thermoplastics and a special tool-room for custom mold making have also been installed.



Avisco to Build Plant For Avicel Production On Commercial Basis

Philadelphia—American Viscose Corp. said it will build facilities to produce "Avicel," the company's new microcrystalline cellulose food ingredient, on a commercial scale. The company now has a semi-pilot plant producing about 1-million lb. of Avicel a year.

Avicel, according to AVC, can be used as a bulk ingredient in foods to cut their caloric content without impairing taste or digestibility. Although, the new material has potential applications in pharmaceuticals and cosmetics, initial marketing effort will be concentrated on the food industry, the company said.

Wales-Strippit to Close For 2-Week Vacation

Akron, Ohio—Wales-Strippit, Inc., said it will close down operations for the vacation period extending from July 24 to Aug. 7. No shipments will be made or received during this period and the company is urging its customers to anticipate their tooling needs now so their requests may be filled before the shut-down.

Strippit tool and methods engineers, however, will be available as usual during the vacation period to service their customers. They may be reached at company offices throughout the country by telephone or letter.

California Chemical Plant

San Francisco — California Chemical Co. will build a phthalic anhydride plant at Hull, England, in conjunction with Grange Chemicals, Ltd., a British firm. The plant will have an annual capacity of 35-million lb.



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Dallas Assn. Sounds Out Membership On Ways to Boost Meeting Attendance

Dallas—The Dallas chapter of NAPA is tackling the ever-present problem of boosting attendance at meetings by sounding out members on their likes and dislikes with a questionnaire.

All of the chapter's 245 members and associate members are being contacted by letter and, if necessary, by phone. They are being asked what they like about the monthly meetings, what they dislike about them, and to suggest changes that might encourage more active participation. Meeting attendance currently averages about 30% of the total membership.

The three-page questionnaire

was drawn up by a senior at Southern Methodist University, who had received a \$500 scholarship from the chapter. For the past three years, the Dallas group has given similar scholarships to seniors enrolled in the school's purchasing courses. Each year the scholarship recipient is asked to undertake some project that either will benefit him in the preparation of his thesis or be worthwhile to the chapter of the NAPA.

Dallas Questionnaire

Included among the 20 questions which the Dallas NAPA chapter is asking its members in an effort to learn what can be done to increase attendance at meetings are the following:

- Are you in favor of the social hour?
- Should there be a time limit on the main program? How long?
- Do you think too much time is devoted to association business?
- Should wives attend more meetings? How many?
- Would you be interested in taking a more active role in some association activity, say, as a committee member?
- What can your present officers and committee chairmen do to increase your interest and participation in the local, district and national purchasing agents associations?

3-Hole Electrical Outlets Now Required in Ontario

Toronto—Three-hole electrical outlets are now mandatory in all Ontario industrial plants.

The outlets are designed to accommodate three-prong plugs on many new appliances, but allow the continued use of two-prong plugs. The extra hole in the socket has a different shape to prevent accidental insertion of the wrong prong.

The outlets provide a separate hole for a ground wire which is designed to blow a fuse if a short circuit develops in an electrical appliance.

Two More Banks Set Up Draft Plans For Freight Bills

San Francisco—Two more California banks have set up freight draft payment plans aimed at making the process of paying transportation costs as painless as possible for shippers.

The new plans put in operation by Wells Fargo Bank American Trust Co. here and Security First National Bank, Los Angeles, are similar to the freight payment service established by Bank of America earlier this year.

In essence, here is how the plans work:

The shipper authorizes his carriers to collect freight charges by drawing envelope sight drafts against him. To collect the money, the carrier totals the shipper's bills, stamps them "paid," and inserts them in an envelope sight draft. The carrier then deposits the draft in his own bank just as if it were a check. Thereafter, the draft moves through regular bank clearing channels until it winds up at an office of the bank running the payment service, which then deducts the draft total from the shipper's account.

Big savings for shippers using the plans comes in the form of reduced check writing. In addition, the shipper's over-all costs for administration, clerical time, stationery, postage, and mailing are reduced.

Seven Oil Companies Join Forces in Project to Build Gas Process Plant in La.

New Orleans—Seven oil companies said they will combine forces to build a multimillion dollar gas processing plant about 30 miles southeast of here.

The joint announcement said the plant will be designed to process a maximum of 650 million cu. ft. of gas daily and to recover about 10,000 barrels daily of propane, iso-butane and natural gasoline. Construction of the plant is expected to begin Aug. 1, with completion estimated for May 1, 1962.

Companies participating in the project include: Shell Oil Co.; California Co.; Cities Service Production Co.; Humble Oil & Refining Co.; Continental Oil Co.; Atlantic Refining Co., and Tidewater Oil Co.



BRIDGEPORT · A

Seattle Perspective



P/W Bureau Chief

RAY BLOOMBERG

Focuses a Purchasing Spotlight

On Merchandising in the Northwest

Extent to which the Pacific Northwest lumber industry is focusing its attention on merchandising rather than production is highlighted by the reluctance to buy a new completely

automatic lumber sorter developed jointly by Republic Electric & Development Co. and Puget Sound Fabricators. Many large Canadian and U. S. mills have expressed interest in installing the equipment but blame "slow business" for their failure to purchase.

If production were a real headache, chances are that more than one mill would have bought the new equipment months ago. Production is not a problem, however. Timber supplies, although not as lush as in earlier days of the century, are at least adequate, while mechanized logging operations and sawmills can turn out far more lumber than is being purchased today.

With production capability high and with competition from substitute materials such as aluminum stronger than ever, all the pressure in the lumber industry is on merchandising and diversification. Weyerhaeuser Co., the industry's biggest, is the best example of diversification. It produces and sells not only lumber but such related products as containers, cartons, pulp, paperboard, particle board, plywood, veneer, doors, and fabricated structural members.

The industry was forced into diversification in order to utilize parts of the log that couldn't be made into lumber. Diversification, in turn, has forced the industry to recognize the fact that merchandising applies to lumber as well as to by-products.

Some of the by-products are only distantly related to the 2x4's and cedar siding traditionally identified with the lumber industry. A recent Weyerhaeuser example is Pres-Tock, a moldable wood fiber panel which can be drawn or formed into compound curves and is being used by the automobile industry for formed door panels with a three-dimensional styling.

Much work is being done with plastics. Roddis Plywood Corp., a Weyerhaeuser division, is marketing a plastic-surfaced door for exterior use and researching development of an improved fire-proof door. Weyerhaeuser's plastics department has introduced a disposable bulk milk container, made of rigid containerboard with a polyethylene liner.

Lumber merchandising is concerned increasingly with selling fabricated units, rather than individual pieces of lumber. Current examples include precut roof trusses, packaged stair treads and glue-laminated beams.

F. K. Weyerhaeuser, chairman of Weyerhaeuser's board of directors, believes the future will see the combination "by fabrication of several functions of floors, walls and roofs into one or more basic products." He sees a place in future markets for structural products that insulate and protect from the elements in addition to having load-bearing strength.

The lumber industry recognizes that it has lost some of its markets because of the higher labor cost of applying lumber in construction. Panel-type products like plywood, hardboard and sheathings of other materials than wood are cheaper to apply. A new type of component panel, even combining lumber with some competitive materials as aluminum, may be the lumber industry's answer to such competition.

"Almost too good to be true" is the way one Seattle transportation expert describes the proposed merger of the Great Northern and Northern Pacific railways.

The merger could drastically reduce shipping costs between the Midwest and the Pacific Northwest by combining the railroad having the shortest and best route (Great Northern) with the railroad having the best yards, (Northern Pacific). Traffic men point out, however, that maximum benefits can be attained for the shipper only if the Chicago, Milwaukee, St. Paul & Pacific, the third line serving the area, manages to survive.

William J. Quinn, president of the Milwaukee Road, makes it clear his company will oppose the merger unless it is granted certain basic rights. If the merger is permitted on terms now proposed by the Great Northern and Northern Pacific, "it would be only a matter of time before the Milwaukee would be a relatively unimportant factor so far as competition in the territory is concerned," Quinn predicted on a recent visit to Seattle.

Without the Milwaukee, the region ultimately would be left with but one railroad, "and monopoly (Continued on page 35)

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New Officers Named in

New York—Local purchasing groups have been busy selecting new officers. Here's another roundup on recent election returns:

Baltimore

President, Bradford S. Fisher, American Smelting & Refining Co.; H. Spilman Burns, Baltimore City Dept. of Education, vice president; W. H. Hedeman, Bendix Radio Div., treasurer; Eugene C. Reid, Metal Products Div., Koppers Co., Inc., secre-

tary; Howard J. Geiwitz, Dixie Mfg. Co., director. Raymond A. Cadarette, Minerec Corp., and R. C. Sivert, Calvert Distilling Co., were named national director and alternate national director.

Alabama

President, Oscar M. Stagg, Jr., purchasing agent Birmingham Southern Railroad Co.; C. Russell Keister, Rust Engineering Co., 1st vice president; Guy E. Cofield, Alabama Power Co., 2nd vice president; Richard Don Anderson, Southeastern Products Corp., treasurer; I. B. Larson, Vulcan Steel Container Co., secretary. Former president James B. Harrington, Nifty Mfg. Co., becomes national director.



O. M. Stagg, Jr. W. A. Starret

Detroit

President, William A. Starret, director of purchases, General Motors Technical Center, General Motors Corp.; Wilbur J. Pierce, Detroit Edison Co., 1st vice president; Fred G. Pape, Wessels Co., 2nd vice president; Carl Zisman, Robinson Welding Supply Co., treasurer; J. W. Ruff, Burroughs Corp., national director.

Denver

President, Paul M. Cheney, purchasing agent, Susquehanna-Western Corp.; L. Ray Bryant, McGraw Supply Co., vice president; Louis G. Harder, Martin Co., secretary; Everett R. Pettis, Midwest Steel Corp., treasurer; C. W. Manning, Climax Molybdenum, national director; Jack Turtle, Ideal Cement Co., alternate national director. Directors: H. Robert Grabert, Eastman Oilwell Survey Co.; C. R. Arner, Climax Molybdenum.

Pittsburgh

President, Andrew M. Kennedy, Jr., vice president, purchasing and traffic, Westinghouse Electric Corp.; John D. Peters, U. S. Steel Corp., 1st vice president; William M. Gormly, III, Gulf Research & Development, 2nd vice president; Wayne Rawley, Jr., Blaw Knox Co., secretary; James A. Callahan, Pittsburgh Steel Co., treasurer; Richard G. Averell, Gulf Oil Corp., national director.



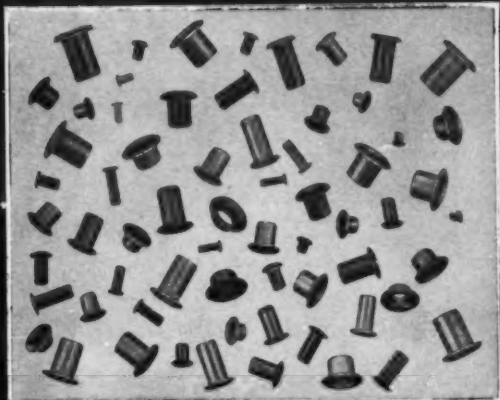
A. M. Kennedy, Jr. E. B. McCracken

Fort Worth

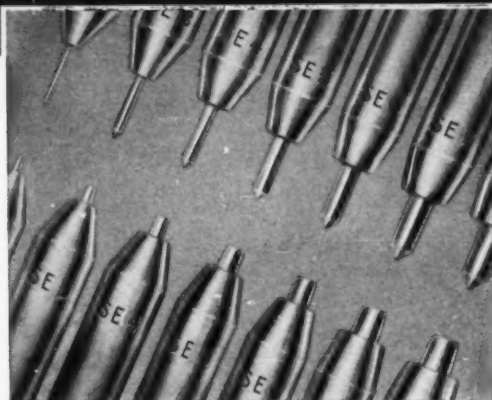
President, E. B. McCracken, purchasing agent, Sinclair Oil & Gas Co.; W. B. Brown, Acme

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true measure of
**eyelet
price**

Installed Cost



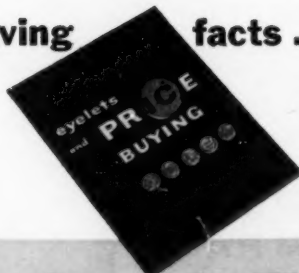
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Fastener Division

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UNITED SHOE MACHINERY CORPORATION

Shelton, Connecticut

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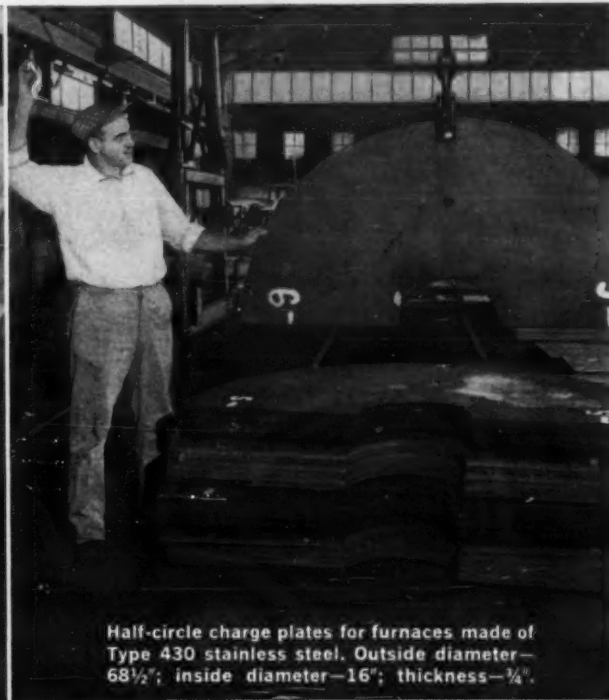
THE OLD WAY: San Rico Sportswear, Hato Rey, P.R., formerly assigned three persons to pack air shipments. Method took entire day. Now . . .



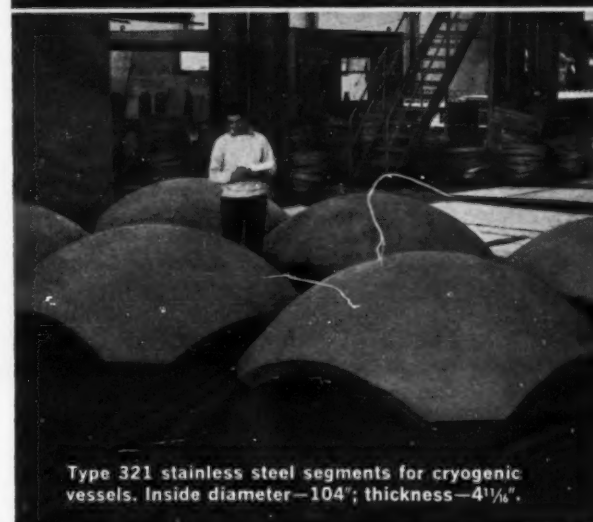
THE NEW WAY: Pan Am. Jet PAKS enable two persons to do same job in two hours, saving \$12,000 yearly, cutting pilferage, loading time, damage.



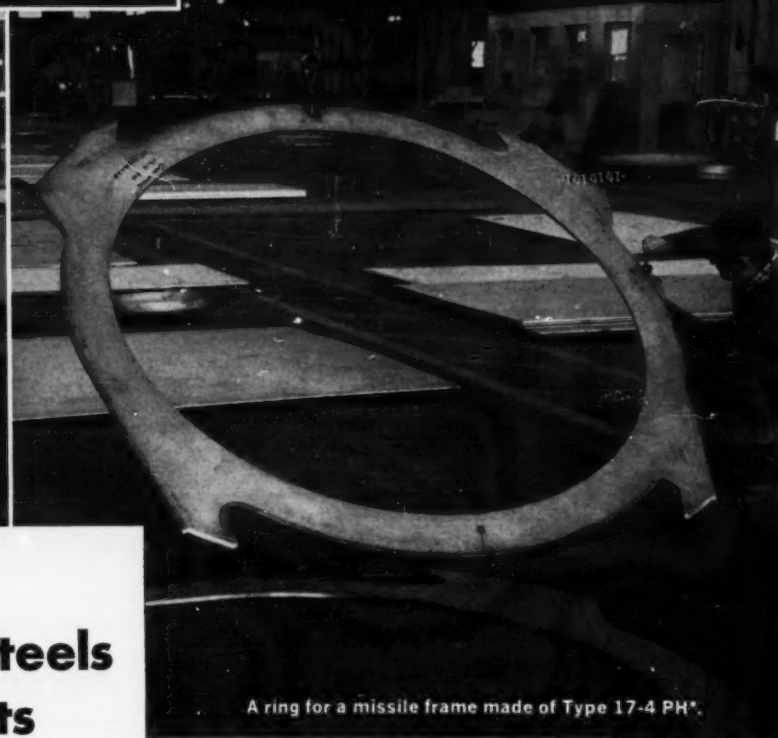
Indexing plate for nuclear storage cask. Type 304. Outside diameter—44½"; thickness—2¼".



Half-circle charge plates for furnaces made of Type 430 stainless steel. Outside diameter—68½"; inside diameter—16"; thickness—¼".



Type 321 stainless steel segments for cryogenic vessels. Inside diameter—104"; thickness—4½".



A ring for a missile frame made of Type 17-4 PH.

*(trade-mark of ARMCO STEEL CORPORATION)

special shapes special stainless steels for special projects

Producing stainless steel plate, plate products, and forgings is our business. Orders often call for unusual shapes in stainless plate, shapes that will become important components in special projects. Whatever the requirement, your confidence in Carlson specialists is well placed.

A Carlson booklet, "Producing Stainless Steels . . . Exclusively," is now available. Why not write for your personal copy today?



G.O. CARLSON Inc.

Producers of Stainless Steel

144 Marshallton Road
THORNDALE, PENNSYLVANIA
District Sales Offices in Principal Cities



Plates • Plate Products • Heads • Rings • Circles • Flanges • Forgings • Bars and Sheets (No. 1 Finish)

Union Carbide Brings Training Film Into Play to

Movie on Electronic Purchasing Speedup Provides Tranquilizer for EDP 'Jitters'

A new computer, installed to speed purchasing paperwork, brings new problems as well as blessings to a responsible manager. He must not only train his people to operate a complex new system, but must also get them to view EDP as a valuable tool rather than as a "job rival."

Although "computer jitters" are exaggerated more often than not, they can seem very real to the clerical worker left to the devices of his own imagination through lack of communications with his superiors. To alleviate his fears, the manager must orient him to the new setup by smoothing his transition from one job to another and by showing him how EDP benefits the individual worker as well as the company.

When Union Carbide Nuclear Corp. installed an IBM RAMAC computer in the materials management section of its Paducah, Ky., gaseous diffusion plant, it decided to enlist the cooperation of departmental workers themselves in solving this problem of communication. A. L. Riley, head of Paducah's manufacturing division, hit upon the idea of getting materials management personnel to make a training-aid movie. He organized a "steering committee" led by L. A. Myers, records department superintendent, and staffed by the men and women who were to operate the new EDP system.

Produced by Paducah Employees

The result: a short color film, titled "Memory, Incorporated"—written, directed, acted, and produced by plant personnel—which shows how EDP works to everyone's advantage by slashing nonproductive clerical tasks and speeding replacement parts service.

Pictured alongside are still shots taken from the film, together with excerpts from the script. "Memory, Incorporated" follows a simple story line: It shows how a welder named Joe obtains a new pair of gloves through the automated process which keeps his gloves—among 35,000 other items—in stock in the right quantity.

The script was written by Lois Jeanne Savage, daughter of a plant executive, and tailored to 12 minutes' running time by the production group. Then, director Myers rounded up some likely actors, found a cameraman in the security group department, and went ahead with the shooting. The entire production took only one month to complete, with minimum disruption of company routine.

The committee forwarded the completed footage to Eastman Kodak for processing. Eastman Kodak sent it on to a professional production firm for final editing, and addition of music and narration.

Premiere Last Year

Union Carbide gave the film its premiere showing in 1960 at the Paducah plant. It combined the screening with a lecture on EDP's place in the revamped materials management setup, and followed up with a tour of the data processing center.

The plant's executives were so pleased with the results that they offered the film for showings by other Union Carbide divisions as well as outside firms. To date, response both from within and without the company has been brisk. Many Union Carbide plants and offices—as far abroad as Singapore—have requested prints for local showing. And outside demand has ranged from the U.S. Naval Air Station, Alameda, Calif., to management consultant firms.

Edward Cain, superintendent of industrial relations at the Paducah plant, says that, although the materials management staff was already somewhat familiar with automated office procedures, from their experience with electronic office machinery, the film gave them the over-all picture of EDP in action. "Installation of the IBM system was only the latest step in a continuing effort to keep up-to-date in our procedures," he says. "Our people, after seeing the system in action and viewing the film, take the general attitude that this sort of progress is good."

* If your company or group would like to arrange a showing of "Memory, Incorporated," write:

A. C. Riley
Union Carbide Nuclear Co.
P.O. Box 748
Paducah, Ky.

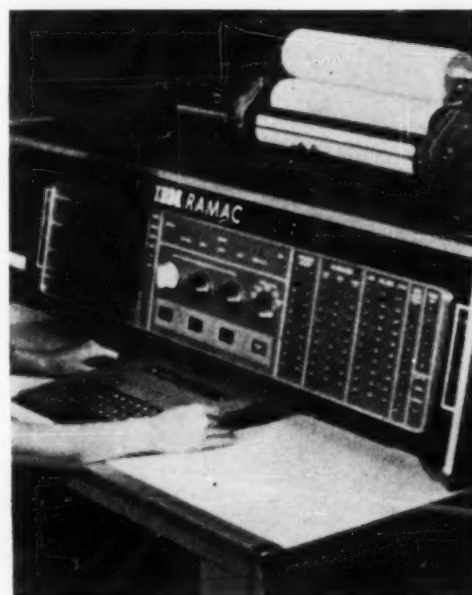


1.

"Meet Joe Miller, welder at the Paducah gaseous diffusion plant . . . one of the 1,700 workers on the plant payroll.

"It's a big job keeping the 35,000 stock items available. However, once an item is established in stores stock, replenishment is dictated by usage.

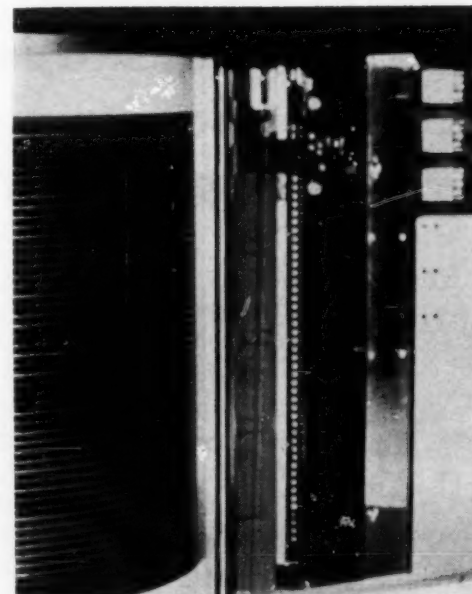
"Joe can be assured that these new gloves will protect his hands. But little does he realize the efficient process which has made his gloves available to him."



2.

"Memory, Incorporated" begins with a computer, a compact, complete data processing machine. It plays a key role in the automated materials control and procurement of stores at the Paducah plant.

"Its service is great in the plant purchasing procedure. But the entire process is as interesting and unique as the machine itself."



3.

"On these whirling discs, a remarkable memory provides immediate handling of materials transactions. This computer can, at any time, furnish specific, accurate facts on which to base purchasing decisions. Ten million alphabetic and numeric characters can be recorded on these 50 discs. Each is 24-in. in diameter, and used on both sides. Any 100-character record, stored on a disc, is available in less than one second."

Win Rank and File Support for New Computer



4.

"(Prior to EDP) . . . manually operated bookkeeping machines were used . . . and a mountain of stores ledger sheets. Each time material was taken from the warehouse, the quantity withdrawn was deducted from the ledger sheet. From these sheets, buyers made time-consuming calculations to determine what to buy.

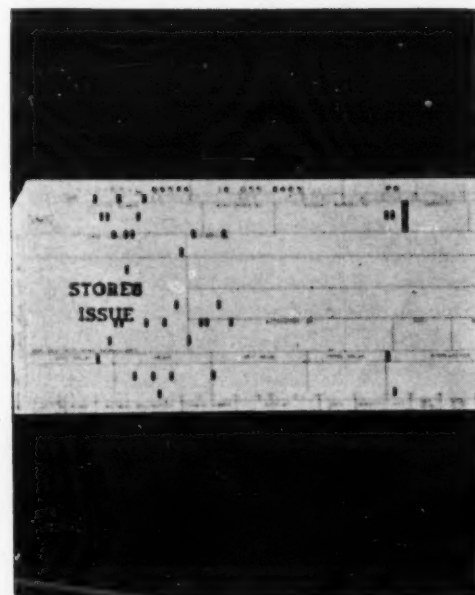
"The (new) automation formula provides buyers sufficient time to exercise proper judgment."



7.

"Buyers group the items for purchase, and fill out an Inquiry Sheet on the needed materials. The Inquiry Sheet gives the bidders, quantity, closing date, terms and conditions of purchase. Buyers must study new products and contact representatives of many different firms selling many different products.

"When the buyer completes the inquiry data, he sends it on to the automatic typewriter."



5.

"The issue of a pair of gloves was recorded on this punched card. Variable information is key-punched into the card, and it becomes the input card to the computer memory. The electronic machine reads the information on the card, and locates previous information recorded concerning Joe's gloves.

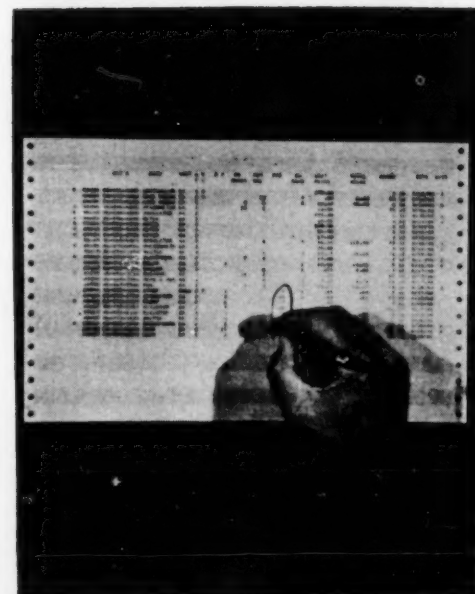
"This updating process brings from the computer the need for purchase of additional gloves."



8.

"This typing machine further automates the purchasing process. Punched tapes are fed into the machine, and are automatically typed at a rate of 100 words-per-minute.

"From these tapes, the Request-for-Quotation forms are produced, and sent to various firms. The Request-for-Quotation begins its journey to gain the best available price."



6.

"The machine prints this requirement on the Stock Status Report. This report is a perpetual inventory record. Buyers look for those items which have an EOQ . . . a recommended amount to order, figured by the computer according to accumulated statistics, including the procuring and warehousing costs. With the Stock Status Report, the process leaves the computer and is taken over by the purchasing department."



9.

"These supplies are unloaded (when the order arrives at Paducah), and transported to storage. Each bin has prepunched stores issue cards containing fixed information about the items stored there — catalog number, noun description, and unit of issue.

"There will now be a new pair of gloves stored for the next welder who needs them."



LESCHEN WIRE **PORTER** ROPE DIVISION
H. K. PORTER COMPANY, INC.

In the World of Sales

William G. Henke has been promoted to manager, sales coordination, **Research-Cottrell, Inc.**, Bound Brook, N. J. **John W. Homer** became district sales manager of the firm's New York office.

C. Gregg Geiger has joined **Borg-Warner Service Parts Co.**, Chicago, as sales manager. He was formerly with **Johns-Manville Sales Corp.**

G. R. Ferris has been named to direct and coordinate perishable and exempt commodity sales in northern California for **Consolidated Freightways**, San Leandro, Calif. He will be responsible for this specialty in the San Francisco Bay area, San Joaquin, Salinas, and Santa Clara Valleys.

Frederick R. Malone was appointed sales manager, apparatus marketing division, **Westinghouse Electric Corp.**, Newark, N. J. He succeeds **W. C. Wood**, who retired from that company effective June 1.

Richard H. Pursell has been elevated to general sales manager, **Electric Products Co.**, Cleveland.

Thomas Barker has moved up to Midwest sales manager, **American Mineral Spirits Co.**, Chicago. He will be responsible for the sales of petroleum solvents, technical naphthas and waxes from western Pennsylvania to the Rockies and from western Canada to the Mexican border.

Robert S. Temple has been given the newly created post of sales manager—plastics, **VALCHEM, the Chemical Div. of United Merchants & Mfgs., Inc.**, New York City. He is responsible primarily for resin sales.

John A. Foster has been advanced to general manager of agricultural chemical sales, **Collier Carbon & Chemical Corp.**, Los Angeles, Calif. He replaces **R. H. McGough**, who has been elected president of the **Western States Chemical Corp.**

James Rainey has been appointed district sales manager for **Illinois Tools & Equipment Div., Owatonna Tool Co.**, Owatonna, Minn.

Robert L. Curtis was elevated to sales manager, **Tomkins-Johnson Co.**, Jackson, Mich.

William M. Hempel has been promoted to manager of TBA sales, and assistant manager of passenger tire sales, **General Tire & Rubber Co.**, Akron.

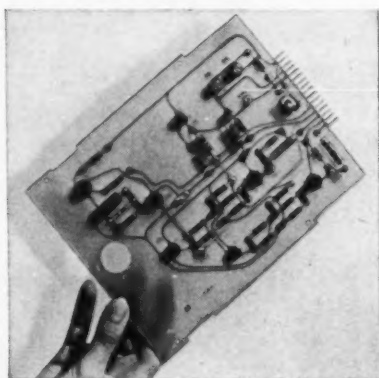
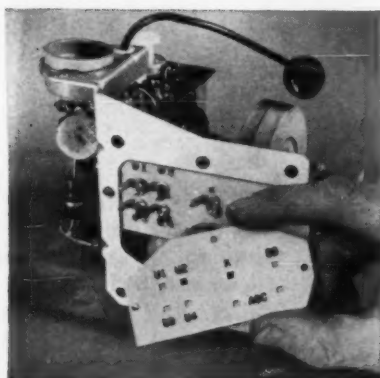
Marvin R. Hoover has been assigned the newly created post of manager of marketing, **Lancaster Glass Corp.**, Lancaster, Ohio. He will supervise Lancaster's expanded sales, advertising, sales promotion, market research and product development activities.

D. A. Korman has taken the post of product sales manager, **Barnes Engineering Co.**, Stamford, Conn. Before joining the firm, he was with **Farrand Optical Co., Inc.**, **Coleman Instruments, Inc.**, and **E. Leitz, Inc.**

Walter L. Erley has been promoted to midwestern regional sales manager, **Rogers Corp.**, Rogers, Conn.

BUYING GLASS-BASE LAMINATES?

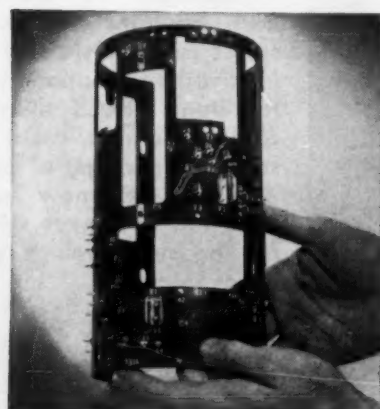
Taylor Fibre belongs as a supplier of sheets, rods, tubes, copper-clad and fabricated parts



There are good reasons for investigating Taylor glass-base laminated plastics as high-strength-to-weight materials in your design. They offer light weight, corrosion resistance, electrical and thermal insulation, and ease of fabrication.

For example, glass-fabric-base laminates have the highest mechanical strength of all laminated plastic materials. They have been successfully used in the fabrication of critical parts, including aircraft parts and bases for printed circuits. They are most valuable where extremely low moisture absorption, increased heat resistance and superior electrical properties are required.

Taylor Fibre produces a number

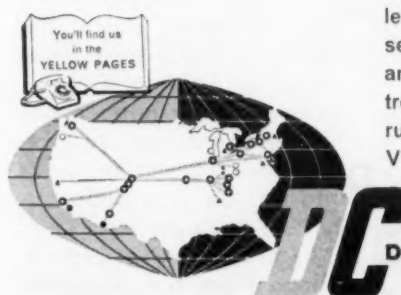


of different glass-base grades in sheet, rod and tubular form, and copper-clad. Those with phenolic resin are recommended for mechanical and electrical applications requiring heat resistance. Those with melamine are characterized by their excellent resistance to arcing and tracking in electrical applications. They also have good resistance to flame, heat and moderate concentrations of alkalis and most solvents. Those with silicone exhibit very high heat resistance, combined with good mechanical and electrical properties. They also have highest arc resistance. Those with epoxy offer extremely high mechanical strength, excellent chemical resistance, low moisture absorption, and high strength retention at elevated temperatures.

Technical data about these and other Taylor laminated plastics are available. Ask for your copy of the Taylor Laminated Plastics Selection Guide. Taylor Fibre Co., Norristown 55, Pa.

Taylor
LAMINATED PLASTICS VULCANIZED FIBRE

DC's
single-carrier
service
means a lot
to the
Purchasing Agent
who wears two hats!



When you want materials, parts or merchandise delivered on time and in good condition, let D-C do it! Coast-to-coast, direct, one-carrier service is exclusive with Denver Chicago. You and your company profit by one-carrier control, one-carrier handling that saves up to 20% running time. Next time, be sure. Specify "SHIP VIA D-C"... the Dependable Carrier!

DENVER CHICAGO TRUCKING CO., INC.
the ONLY direct coast-to-coast carrier



Non-Raveling
Straight Tearing
High Tensile Strength
Strong Adhesion
Highly Insulating

FRICION
RUBBER
PLASTIC



ACCURATE TAPE ACCURATE MANUFACTURING CO
Garfield, New Jersey

This Changing Purchasing Profession

John J. Reinhardt and **Gaylord Powell** have been appointed purchasing agents, **Haloid Xerox Inc.**, Rochester, N. Y. **Stewart Wackel** and **William Kramer** have been named assistant purchasing agents.

Edward W. P. Smith has been made director of purchases, **Bendix-Westinghouse Automotive Air Brake Co.**, Elyria, Ohio. Smith, former purchasing analyst, succeeded **Howard R. Hafferkamp**, who retired June 1 after 21 years in this post.



E. W. P. Smith R. G. Staudigel

Richard G. Staudigel, purchasing agent for **Ohio National Life Insurance Co.**, Cincinnati, has been assigned the added post of assistant secretary for the firm.

Creston Perrin, formerly director of operations, **Lone Star Plastics Co., Inc.**, Fort Worth, has been assigned the new job of purchasing agent and warehouse supervisor.

Joseph A. Santangelo has been promoted to the new post of purchasing agent, **Eugene Kardon Enterprises, Inc.**, Philadelphia.

William T. Robertson, former staff member of Indiana State purchasing department, has been appointed purchasing director for Marion County, Indianapolis.

Robert L. Miller was made director of purchasing for **North Carolina National Bank**, Raleigh, N.C.

Thomas J. Lang, purchasing agent at **Berger Steel Co., Inc.**, Lafayette, Ind., has been elected vice president in charge of production.

John R. Zwerle has been appointed manager, purchasing research and administrative analysis, a new post, by **Mack Trucks, Inc.**, Plainfield, N.J. He had been senior purchasing administration analyst, Plumbing & Heating Div., American Standard Corp.

Ensley C. Smith joined **Electro Nuclear Systems Corp.**, Minneapolis, as purchasing agent. He had been purchasing agent for the Scott Div., McCulloch Corp.

Walter A. Pfeiffer, buyer in the division of purchases and supplies for the **City of Toledo**, has been appointed commissioner of the division.

Ernest T. Bullock, formerly assistant purchasing agent at **Fasco Industries, Inc.**, is now a manufacturer's representative in the Rochester, N.Y., and Monroe County area.

Henry H. Liebrich was assigned the new post of general purchasing agent, **Carton Div., Federal Paper Board Co.** He

had been purchasing agent at the firm's New Haven Carton Div., where he will continue to make his headquarters.



H. H. Liebrich R. W. Tomlinson

Robert W. Tomlinson, senior buyer, **Alpha Portland Cement Co.**, Easton, Pa., has been elevated to manager of purchases. He succeeds the late Ray L. Hamilton.

Robert T. Lardon and **Frank A. Messenger** have been named purchasing agents for the **Commodities & Engineering Div.** and the **Ores & Metals Div.**, respectively, **New Jersey Zinc Co.**, New York.



R. T. Lardon F. A. Messenger

Francis T. May joined **Excello, Ltd.**, Chicago, as a buyer. He was formerly with the purchasing department of U.S. Gypsum Co., Chicago.

William J. Kiny was appointed head of **Sawyer's, Inc.**, purchasing department in Progress, Ore.

Lou Thompson was advanced to purchasing agent, **Colby Steel & Mfg. Co.**, Seattle, Wash. He succeeds **William Fischer**.

Joseph Scott has been elevated to vice president and general manager of **Swimquip, Inc.**, El Monte, Calif. Scott, who joined the firm in 1958 as purchasing agent, had been vice president and production manager before his promotion.

Irving Bailey, has been promoted to manager of purchasing and traffic for both the **Anso** and **Ozalid Divisions**, General Aniline & Film Corp., Binghamton, N. Y.



THE SAFETY SWITCH THAT CHALLENGES COMPARISON . . .

BullDog's heavy-duty safety switch...in sizes for every industrial need!

Only from BullDog do you get *all* these features in heavy-duty industrial safety switches—from 30 to 1200 amperes!

- Minimum arcing—double-break switching
- Arc control—Vacu-Break® principle
- Pressure contacts—Clampmatic® spring action
- Positive switching—direct handle operation
- High short-circuit performance—innumerable applications

. . . plus, all current-carrying parts are silvered. Available in NEMA 1 and NEMA 3R enclosures . . . competitively priced. Challenge our field representative to prove these switches are the finest. Or write for details.



BullDog heavy-duty industrial safety switches are available from 30 to 1200 amperes, in both indoor and raintight enclosures, in 2-, 3- and 4-pole types.

BullDog Electric Products Division, I-T-E Circuit Breaker Company, Box 177, Detroit 32, Mich. In Canada: 80 Clayson Rd., Toronto, Ont. Export Division: 13 East 40th St., New York 16, N.Y.



I-T-E CIRCUIT BREAKER COMPANY
BULLDOG ELECTRIC PRODUCTS DIVISION

Purchasing Week's Product Perspective

STANDARD INDUSTRIAL CLASSIFICATION SYSTEM (SIC) was originally set up by a government committee working under supervision of the Bureau of the Budget to make it easier to collect and analyze business data. A specific number was assigned to each major type of business activity in the country so that everybody concerned would be talking about similar companies when they compared notes.

The numbers, which are widely used by private industry and trade associations in addition to government agencies, are primarily intended to classify every company by the type of goods it manufactures. In starting its new service to help make your product filing job easier, **Purchasing Week** is going to turn the tables a bit, and use the numbers to describe the product itself. The number P/W will use is not necessarily the same number the government would assign to the company making the product, since the concern might be engaged in making a dozen different types of products.

• Although the total classification covers 99 different groups, P/W will be concerned only with the manufacturing section—groups 19 through 39. Every SIC number contains four digits; the first two designate the major industry, the third digit, the minor grouping within the larger class, and the last number, the specific product class. For example, let's examine the number 3611:

36—Major group—Electrical machinery, equipment, and supplies.

1—Minor group—Electric transmission and distribution equipment.

1—Specific product class—Electric measuring instruments and test equipment. This includes "Establishments primarily engaged in manufacturing pocket, portable, panelboard, and graphic recording instruments for measuring electricity, such as voltmeters, ammeters, watt meters, watt-hour meters, demand meters, and other meters and indicating equipment."

• If a voltmeter appears in the P/W New Products section, the number 3611 will be found in the lower right hand corner of the description—following the company name and address. Every voltmeter that appears as a new product will always have #3611, and if you adopt this filing system you will be able to locate quickly any product by looking under the appropriate number.

• Here's a rundown on the major group numbers:

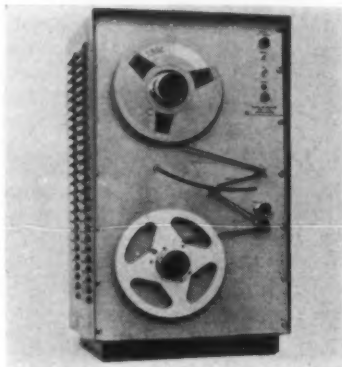
- 19—Ordnance and accessories.
- 20—Food and kindred products.
- 21—Tobacco manufactures.
- 22—Textile mill products.
- 23—Apparel and other finished products made from fabrics.
- 24—Lumber and wood products, except furniture.
- 25—Furniture and fixtures.
- 26—Paper and allied products.
- 27—Printing, publishing and allied industries.
- 28—Chemicals and allied products.
- 29—Petroleum refining and related industries.
- 30—Rubber and miscellaneous plastic products.
- 31—Leather and leather products.
- 32—Stone, clay and glass products.
- 33—Primary metal industries.
- 34—Fabricated metal products, except ordnance, machinery, and transportation equipment.
- 35—Machinery, except electrical.
- 36—Electrical machinery, equipment, and supplies.
- 37—Transportation equipment.
- 38—Professional, scientific and controlling instruments; photographic and optical goods; watches and clocks.
- 39—Miscellaneous manufacturing industries.

• And here's how one major group "35" is subdivided into ten smaller categories:

- 351—Engines and turbines.
- 352—Farm machinery and equipment.
- 353—Construction, mining, and materials handling machinery and equipment.
- 354—Metalworking machinery and equipment.
- 355—Special industrial machinery, except metalworking.
- 356—General industrial machinery and equipment.
- 357—Office, computing, and accounting machines.
- 358—Service industry machines.
- 359—Miscellaneous machinery, except electrical.

• The book containing the entire classification lists, as well as an alphabetical product listing (complete with number), is available from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. for \$2.50. Ask for *Standard Industrial Classification Manual*.

Here's your weekly guide to . . .



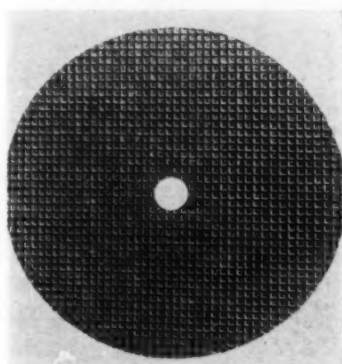
Rewind Machine

Spools Tape at 500 Ips.

Magnetic tape rewind unit runs at an average of 500 ips. and takes reels of 14-in. or smaller dia. A universal hub is variable from 3 in. to 3 3/4 in. and handles 1/2-in. and 1-in. tape widths. Unit stops automatically when end of tape is reached, or when tension is excessive or power fails.

Price: \$690. Delivery: 6 wk.

Electronic Engineering Co. of California, 1601 E. Chestnut Ave., Santa Ana, Calif. (PW, 6/26/61) SIC #3571



Abrasive Sanding Disc

Resists Shattering

Shatter-resistant sanding disk is very flexible for following contours. The abrasive surface is serrated for less loading and faster, cooler cutting. Disk is available with tempered aluminum oxide or silicon carbide in wheel dia. of 7 in. and 9 1/8 in.

Price: approx. 31 1/2¢ to 41 1/2¢ (9 1/8-in. dia.). Delivery: immediate.

Milwaukee Motive Mfg. Co., 1825 S. Kinnickinnic Ave., Milwaukee 4, Wis. (PW, 6/26/61) SIC #3291



File Cabinet

Has 26 1/2-in. Drawer Depth

File cabinet with 26 1/2-in. drawer depth comes in letter and legal sizes in 2- to 5-drawer models with positive side-locking compressors and thumb latches. Options include a range of drawer inserts, linoleum in place of steel tops and colors.

Price: \$81.25 (4-drawer, letter-size). Delivery: immediate.

Yawman & Erbe Mfg. Co., Inc., 1099 Jay St., Rochester 3, N. Y. (PW, 6/26/61) SIC #2522



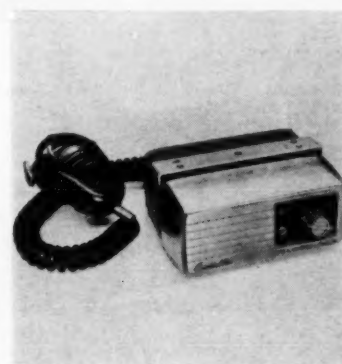
Electrical Tape

Withstands High Heat

Electrical tape with glass cloth backing is particularly useful where taped parts are exposed to high heat. The thermosetting adhesive is rubber-based and pressure-sensitive and becomes firmer when heat is applied. The tape is 7 mils thick and has a tensile strength of over 100 lb./in. of width. It is available in 1/2-in. width on 66-ft. rolls.

Price: \$1.75. Delivery: immediate.

Permacel, New Brunswick, N. J. (PW, 6/26/61) SIC #2295



Speech Scrambler

Converts Two-Way Radios

Transistorized unit for two-way radios changes speech into unintelligible jargon when transmitted and matching unit unscrambles it at receiving end. Mobile stations operate from vehicle battery, base stations from 117-v. source. Single or dual coding is available and a selector on the front panel permits clear or scrambled transmission.

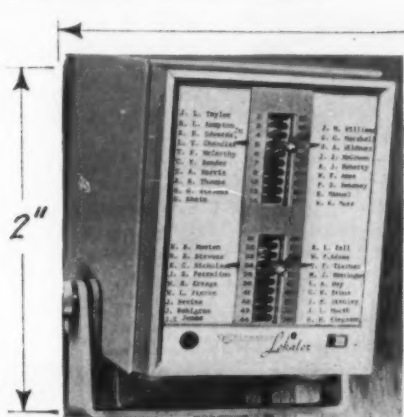
Price: \$298 to \$474. Delivery: 30 days.

Delcon Corp., 943 Industrial Ave., Palo Alto, Calif. (PW, 6/26/61) SIC #3662

New Products

Price data that accompany each product description are list or approximated prices supplied by manufacturers. Unless otherwise noted, prices quoted are for the smallest quantity that can be ordered.

Picture aids product recognition



Paging System

Uses Personnel Codes

Audible paging system available in 20-, 40-, or 80-call units uses private code numbers assigned to personnel frequently paged. To reach a person, the operator moves a toggle switch opposite his name. In automatic operation, four rounds of code are sounded. When operated manually, system sounds continuously until reset.

Price: \$100, \$185, and \$350. Delivery: immediate.

Edwards Co., Inc., Norwalk, Conn. (PW, 6/26/61) SIC #3662

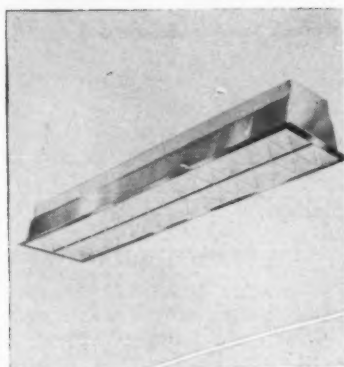
Size permits you to paste on 3"x5" card

Copy gives only pertinent details

How much it costs and how soon you can get it

You'll know when item appeared

NEW SERVICE: SIC FILING NUMBER



Aluminum Troffer

Has Low Brightness

Aluminum troffer offers maximum light with low brightness. Housing is finished with 86% reflectance white enamel. Units come in 4-ft. and 8-ft. lengths using two or four 40-w. lamps. Knockouts permit continuous wiring for end-to-end mounting of fixtures.

Price: \$34.85 (4-ft.). Delivery: immediate. Litecraft Mfg., 100 Dayton Ave., Passaic, N. J. (PW, 6/26/61) SIC #3642



Magnifier

Has Magnetic Base

Magnifier with strong 5-power lens has a permanent magnet mounted in the base for attachment to any metal object. The lens swivels a full 360 deg. and tilts to any position from horizontal to vertical. The swivel is spring-loaded and the lens hinged to maintain each setting rigidly.

Price: \$3.50. Delivery: immediate. Lufkin Rule Co., Saginaw, Mich. (PW, 6/26/61) SIC #3831



Magnetic Test Device

Detects Metal Flaws

Portable device is U-shaped electromagnet which can be energized from a 6-v. or 12-v. auto storage battery or a 110-v. outlet. It detects cracks and flaws in ferrous metals by means of a flux pattern made visible by a coating of ferromagnetic powder sprinkled on the area to be tested. Complete package weighs 30 lb.

Price: \$375. Delivery: immediate. Westinghouse Electric Corp., Box 2278, Pittsburgh 30, Pa. (PW, 6/26/61) SIC #3821

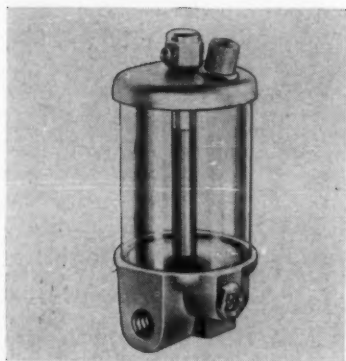


Tool Cabinet

Carries Equipment

Heavy-duty carrier is designed for portable storage of cumbersome tools and equipment. Each of four drawers is 15 x 23 1/2 x 4 3/4 in. and can be padlocked individually. The cabinet, finished in baked green enamel is 18 x 24 x 34 in. and is mounted on 2 1/2-in. caster wheels. One-, two-, and three-drawer models are also available.

Price: \$39.27. Delivery: 1 wk. Bay Products, 1801 W. Cambria St., Philadelphia 32, Pa. (PW, 6/26/61) SIC #3429

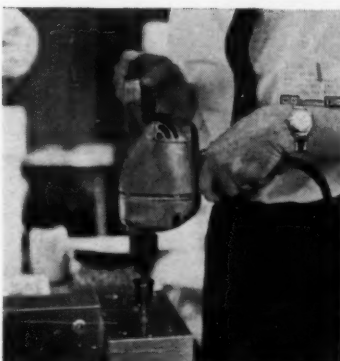


Air Line Lubricator

Uses Venturi Feed

Lubricator with venturi feed delivers lubricant to the down-stream line as suspended oily mist to lubricate air tools and equipment. Units come in 1/4-, 3/8-, 1/2-, and 3/4-in. NPT pipe sizes. A transparent plastic reservoir permits visual inspection of oil supply at all times.

Price: \$11.90 to \$15.25. Delivery: immediate. Perfecting Service Co., 332 Atando Ave., Charlotte 6, N. C. (PW, 6/26/61) SIC #3569



Cone Drill

Drills Thin Materials

Cone drill produces holes of from 1/4-in. to 1 1/4-in. dia. in steel, brass, wood, or any other relatively thin material. It mounts on power drills of 1/2-in. or larger capacity, on drill presses, and similar machines. Recommended operating speed is 500 rpm. to 600 rpm. with only slight pressure to feed it.

Price: \$.50. Delivery: immediate to 3 wk. Scully-Jones & Co., 1901 S. Rockwell St., Chicago 8, Ill. (PW, 6/26/61) SIC #3545



Drafting Table

Has Adjustable Board

Drafting table with tilting mechanism is equipped with a torsion bar that allows complete board counterbalance. Balance is easily adjustable to compensate for the additional weight of drafting machines. Table is available with a range of drawing board sizes.

Price: \$300 to \$400. Delivery: immediate (after July 15). Hamilton Mfg. Co., Two Rivers, Wis. (PW, 6/26/61) SIC #3811



Calculator

Totals to 11 Digits

Electric machine is a portable unit that adds, subtracts, multiplies, and divides. The calculator has a 10-key keyboard and delivers total up to eleven digits. It weighs only 7 lb. and measures 10 x 7 x 3 3/4 in.

Price: \$235. Delivery: immediate. Bohn Duplicator Co., 444 Park Ave. S., New York 16, N. Y. (PW, 6/26/61) SIC #3571



Portable Tapper

Reverses Cutting Direction

Pneumatically operated tapper has reverse button on handle for instantaneously reversing the cutting direction. The tool operates at 400 rpm. with a recommended air pressure of 90 psi. It is designed for light tapping work in the sheet metal field and has a capacity of #10 to $\frac{1}{8}$ in. An "on-off" valve lever on the handle controls air feed.

Price: \$175. **Delivery:** immediate.
Airetool Mfg. Co., Springfield, Ohio.
(PW, 6/26/61) SIC #3548



Safety Glasses

Weigh $\frac{3}{4}$ Oz.

Safety glasses weigh only $\frac{3}{4}$ oz. and are designed for use by plant visitors as well as by working personnel. They are available with clear or green lenses for applications such as inspection work and welding.

Price: \$6/doz. **Delivery:** immediate.
General Scientific Equipment Co., P. O.
Box 3038, Philadelphia 50, Pa. (PW,
6/26/61) SIC #3842



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Splicer

Repairs Conveyor Belts

Portable splice-making machine adapts to all thicknesses, widths, and types of conveyor belts. It makes splices in a single pass with minimum effort due to lever action clamps, automatic traverse, and three-stage hook compression. The machine comes in 9-in. and 18-in. models and four hook sizes cover the range of belt thicknesses and pulley dia. without machine adjustment.

Price: \$65 and \$85. **Delivery:** immediate.

Scandura, Inc., N. Tryon St. at
Kewick Ave., Charlotte 1, N. C.
(PW, 6/26/61) SIC #3535



Elapsed Time Indicator

Registers to 99999.9

Elapsed time indicator registers hours and tenths of hours and minutes and tenths of minutes to 99999.9. Designed for use on practically any type of commercial or industrial machine or equipment, it comes in resettable and non-resettable models for operation at 120 v. or 240 v. a.c., 50 cps. or 60 cps. It can be supplied with a 3 1/2-in. dia. round bezel or a 3-x 3-in. square bezel.

Price: \$15.50 (non-resettable) and \$22.50. **Delivery:** immediate.

Hugh H. Graham & Assoc.,
Inc., 10 Arcade, New Britain,
Conn. (PW, 6/26/61)

SIC #3579



Gantry

Folds For Storage

Gantry is collapsible unit which folds compactly into three basic parts for storage when not in use. When in use, its telescoping legs adjust separately to compensate for different floor levels. Five models are available with steel or aluminum alloy I-beams in spans to 30 ft., heights to 17 ft., and capacities to 4 tons.

Price: from \$497. **Delivery:** 10 to 14 days.

B. E. Wallace Products Corp., Exton, M, Pa. (PW, 6/26/61) **SIC #3536**



Chuck

Fits Portable Drills

Drill chuck is a keyless unit that won't jam or slip and doesn't mar drill shanks. The lightweight (5 oz.) attachment fits all makes of electric portable drills that use a 3/8-in. x 24 spindle. The chuck features automatic tightening and quick release, and has a capacity of up to 1/4 in.

Price: \$8.90. **Delivery:** immediate.

Supreme Products Corp., 2222 S. Calumet, Chicago 16, Ill. (PW, 6/26/61)

SIC #3545

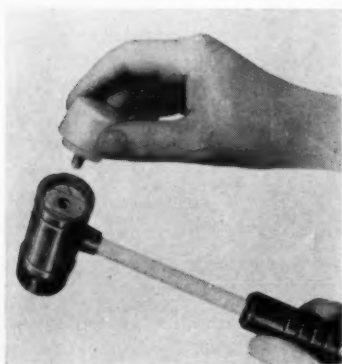


Spark Lighter

Has Safety Lock

Safety lighter is designed for use by personnel who work near or travel through danger areas. The lighter has a safety lock which prevents flints from resting on the file or from striking accidental sparks, even when the lighter is dropped. A replaceable unit contains three flints for extended service.

Price: \$1. **Delivery:** immediate.
Modern Engineering Co., 3401-15 Pine Blvd., St. Louis 3, Mo. (PW, 6/26/61) **SIC #3999**



Hammer

Has Fiberglass Handle

Line of soft-faced hammers with interchangeable and replaceable faces in a full range of hardnesses is available in 28 sizes from 4 oz. to a 20-lb. sledge. The hammer holder consists of a fiberglass handle with a durable polyethylene grip and is bonded to the nonsparking head. A floating nut encased in polyurethane foam eliminates thread stripping.

Price: \$3.25 to \$89.50. **Delivery:** immediate.

New Plastic Corp., 1026 N. Sycamore, Los Angeles 38, Calif. (PW, 6/26/61) **SIC #3423**



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goofed!

Yes, we confess, occasionally we do. But, you can be sure, it doesn't happen often. Proof? During the past 25 years, less than *one* out of every 10,000 Ace Pilot Staplers manufactured has needed repairs. Not quite goof-proof yet, but give us time. You can see and try the amazing Ace Pilot at your Ace dealer. Do it today.



ACE PILOT STAPLES—the finest for all standard machines.

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FASTENER CORPORATION

3415 North Ashland Ave., Chicago 13, Ill.

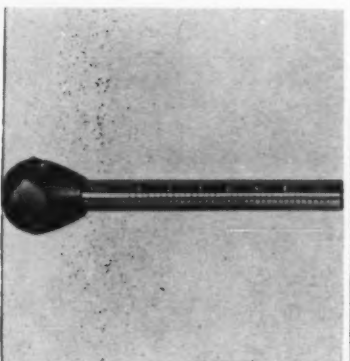


Vise

Doesn't Slip

Vise is thread-locked unit which cannot slip and is designed for production jobs such as milling and jig boring. It provides instant clamping and comes in 4 1/4- and 6 1/2-in. models. Socket cap screws are located in the center of vise jaws, permitting them to be reversed.

Price: \$56 and \$73. **Delivery:** immediate. **Lassy Tool Co., Plainville, Conn. (PW, 6/26/61) SIC #3545**



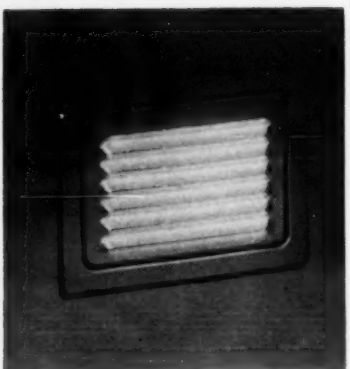
Plug Gage

Gives Direct Reading

Plug gage gives direct reading of hole dia. without having to be removed. It is available in sizes ranging from .250 in. to 1.378 in. in both stock and special units. Special gages are available with increments according to specifications. The unit has no moving parts permitting very accurate readings.

Price: \$22.50 to \$32.50. **Delivery:** immediate.

Olson Industrial Products Co., Inc., 40 W. Water St., Wakefield, Mass. (PW, 6/26/61) SIC #3821



Night Light

Uses Fluorescent Lamp

Recessed night light uses a 4-w, 6-in. fluorescent lamp rated for an average of 6,000 hr. of service. Lamp replacement is made by loosening a thumbscrew and dropping the hinged louver. Wired for 120-v. service, the outside frame is 8 1/2 in. x 6 7/8 in. It is gasketed to prevent dirt from marking the surrounding wall area and comes with a stainless steel or aluminum finish.

Price: \$15.30. **Delivery:** immediate.

Day-Brite Lighting, Inc., 6260 N. Broadway, St. Louis 15, Mo. (PW, 6/26/61) SIC #3642

Purchasing Week Definition

Corrugated and Solid Fiber Boxes

Regular Slotted Box—A box on which the outer flaps meet in the center and inner flaps meet only if the length and width of the container are the same.

Center Special Slotted Box—Inner flaps as well as outer flaps meet the center even though the length may be greater than the width. This design is used to provide contents with greater cushioning.

Overlap Slotted Box—This is similar to the regular slotted box except that the outer flaps overlap a specified amount which is usually about 2 in.

Full Flap Slotted Box—This is similar to regular slotted box but outer flaps completely overlap each other.

Telescopic Design Box—A shipping box with top and bottom of equal height so that the one fits completely over the other.

Five-Panel Folder—A creased and slotted sheet or wrapper used for long articles when the length and width are too small for factory forming.

One-Piece Folder—A one-piece creased sheet with the corners cut out such as is commonly used on books and similar goods. (PW, 6/26/61)

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Forbes Distributing Company
AL 1-4104
MC Electrical Equipment Company
Fairfax 2-0449
Mobile
Forbes Electronic Distributors, Inc.
HE 2-7661
ARIZONA
Phoenix
Radio Specialties & Appl. Corp.
AL 8-6121
Tucson
Standard Radio Parts, Inc.
MA 3-4326
CALIFORNIA
Burbank
Valley Electronic Supply Co.
Victoria 9-3944
Glendale
R. V. Weatherford Co.
Victoria 9-2471
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Hollywood Radio & Electronics, Inc.
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Newark Electronics Company
ORchard 4-8440
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BRadshaw 2-8771
Graybar Electric Company
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Kierulff Electronics, Inc.
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Oakland
Brill Electronics
TE 2-6100
Elmar Electronics
TEmpier 4-3311
Palo Alto
Zack Electronics
DA 6-5432
San Diego
Kierulff Electronics Inc.
BR 6-3334
Radio Parts Company
BE 9-9361
San Francisco
Fortune Electronics
UN 1-2434
Santa Ana
Airtone Sales, Inc.
Kimberly 5-9441
Santa Monica
Santa Monica Radio Parts Corp.
EXbrook 3-8231

COLORADO
Denver
Ward Terry Company
AMherst 6-3181
CONNECTICUT
East Haven
J. V. Electronics
HOBart 9-1310
DISTRICT OF COLUMBIA
Electronic Wholesalers Inc.
HUDson 3-5200
Empire Electronic Supply Co.
Oliver 6-3300
FLORIDA
Miami
East Coast Radio & Television Co.
FRanklin 1-4636
Electronic Equipment Co., Inc.
NEwton 5-0421
Orlando
Wholesale Radio Parts Co., Inc.
GARden 4-6579
West Palm Beach
Goddard Distributors, Inc.
TEmple 3-5701
ILLINOIS
Chicago
Allied Radio Corporation
HAYmarket 1-6800
Newark Electronics Corp.
STate 2-2944
INDIANA
Indianapolis
Graham Electronics Supply Inc.
MElrose 4-8486
LOUISIANA
New Orleans
Columbia Radio and Supply Co.
TW 7-0111
MARYLAND
Baltimore
Wholesale Radio Parts Co., Inc.
MULberry 5-2134
MASSACHUSETTS
Boston
Cramer Electronics, Inc.
COpley 7-4700
DeMambro Radio Supply Co., Inc.
AL 4-9000
Graybar Electric Co.
HUBbard 2-9320
Lafayette Radio Corp. of Mass.
HUBbard 2-7850
Cambridge
Electrical Supply Corp.
UNiversity 4-6300
MICHIGAN
Detroit
Ferguson Electronics, Inc.
UN 1-6700

MISSISSIPPI
Jackson
Ellington Radio, Inc.
FL 3-2769
MISSOURI
Kansas City
Burstin-Applebee Company
BALtimore 1-1155
Walters Radio Supply, Inc.
VA 1-8058
St. Louis
Graybar Electric Company
JEfferson 1-4700
University City
Olive Industrial Electronics
VOLunteer 3-4051
NEW HAMPSHIRE
Concord
Evans Radio
CAPital 5-3358
NEW JERSEY
Camden
General Radio Supply Co., Inc.
WO 4-8560 (in Phila.: WA 2-7037)
Mountainside
Federated Purchaser Inc.
AD 8-8200
NEW YORK
Binghamton
Stack Industrial Electronics, Inc.
RA 3-6326
Buffalo
Genesee Radio & Parts Co., Inc.
TR 3-9661
Wehle Electronics Inc.
TL 4-3270
Elmira
Stack Industrial Electronics, Inc.
RE 3-6513
Ithaca
Stack Industrial Electronics, Inc.
ITHaca 2-3221
Mineola, Long Island
Arrow Electronics, Inc.
Pioneer 6-8686
New York City
H. L. Dalis, Inc.
EMpire 1-1100
Milo Electronics Corporation
BEEKman 3-2980
Sun Radio & Electronics Co., Inc.
OREgon 5-8600
Terminal-Hudson Electronics, Inc.
CHelsea 3-5200
OHIO
Cincinnati
United Radio Inc.
CHerry 1-6530
Cleveland
Main Line Cleveland, Inc.
EXpress 1-4944
Pioneer Electronic Supply Co.
SUPERior 1-9411

Columbus
Buckeye Electronic Distributors, Inc.
CA 8-3265
Dayton
Srepco, Inc.
BALdwin 4-3871
OKLAHOMA
Tulsa
Radio, Inc.
LUTher 7-9124
S & S Radio Supply
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OREGON
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Lou Johnson Company, Inc.
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Bondurant Brothers Company
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TEXAS
Dallas
Graybar Electric Company
Riverside 2-6451
Fort Worth
SWIECO, Inc.
ED 2-7157 (in Dallas: AM 2-5026)
Houston
Busa-ker Electronic Equipment Co.
JACKson 6-4661
Harrison Equipment Company
CAPitol 4-9131
UTAH
Salt Lake City
Standard Supply Company
EL 5-2971
VIRGINIA
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RAYTHEON

Product News in Brief

GD/E Expands Line

Rochester—General Dynamics/Electronics has added an auxiliary, 100-mw. transmitter to its Pagemaster selective wireless paging system to supplement present transmission equipment.

The transmitter can be held in the hand and is designed to send out signals to trigger receiving units carried by personnel. Each receiver works on a personal code and when the code is sounded the individual receiver buzzes.

The new, transistorized unit has been designed to operate in limited installa-

tions or in areas shielded from normal reception by peculiarities of construction or location.

DBM Markets Datawriter

Los Angeles—Dashew Business Machines, Inc., is marketing a machine, called the Electronic Datawriter, for imprinting forms from embossed plastic and metal plates.

The electrically powered imprinter, with less than a 7-sq. in. base, is automatically triggered when plate and form

are properly positioned in separate slots. The machine is said to produce many sharp and clear carbons with high readability for electronic scanning machines.

Works By Remote Control

Zurich—A local firm has developed a subway train that works by remote control. It was designed for the city of Hamburg, which plans to convert its system to "the first remote-controlled subway in the world." Train capacity is 260 passengers and maximum speed 44 mph.

VA Offers Service

New York—Value Analysis, Inc., is offering a new evaluation service for industrial and consumer products that it says will save companies as much as 70% of their production costs.

A company contracting for the new service submits the product along with all pertinent data and after review and analysis, VA makes recommendations for

cutting unnecessary costs. There is no charge unless the company adopts the VA recommendations.

New Machining Process

Cincinnati—General Electric has developed an electro-chemical process for machining new tough alloys and expects to have equipment available within a few months through Hanson-Van Winkle-Munning Co., Matawan, N. J., which GE has licensed to market the machines.

GE says the process permits stress-free machining of complex contours in any metal and at extremely close tolerances. The metal-removal operation is said also to allow significant savings at a relatively low capital investment.

The process involved is essentially the reverse of electroplating with the work piece and "cutting tool"—shaped like the desired part—serving as electrodes. A high amperage direct current is passed through the work piece to the cutting tool through an electrolyte, shaping the raw stock into the finished product.



most demanding service conditions! (4) Reliability... the kind that has made Raytheon famous as a leading supplier of military and industrial products! *And you get all this at no price penalty!*

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*Patent Pending

†U.S. Patent 2,350,346

School for Strategists

Materials managers have charge of both buying new equipment and disposing of the old. Here are a couple of lessons in "School for Strategists" on how to figure whether to buy a new machine, keep up repairs on the old, and when to make your replacement move.

These are the sort of problems that come up in a modernization program, and they're presented here in the form of Operations Research Games, prepared by P/W Consultant Martin L. Leibowitz. For fun and profit, give them a try; you may find some new hints about capital equipment buying.

These games can be mastered by the step-by-step procedure outlined in the following sample problem.

Sample Problem

You're a Purchasing Agent seeking bids on a certain type of material, and you know that the more bids you get, the better price you'll receive from vendors who want your order. But it costs \$200 to process each bid, so the more bids, the higher will be the processing cost. So your problem is: How many bids should you ask to effect your greatest saving

Now here's the procedure to use in solving this problem:

(1) **What are you trying to do?** You're trying to decide how many bids you should ask for in order to effect the greatest possible saving.

(2) **What data do you have?** You know it costs you \$200 to process each bid. You know, too, that if you invite only one bid, you'll be at the vendor's mercy. But if there's competition, you'll get a better price. So amassing all the price data you can get, you come up with these estimates of savings: \$500 if two vendors bid; \$850 if three bid; \$1,100 if four bid; \$1,200 if five bid; \$1,300 if six bid.

(3) **Arrange this data in an orderly fashion.**

Bids Solicited	Savings
1	0
2	\$500
3	\$850
4	\$1,100
5	\$1,200
6	\$1,300

(4) **Now find the variables.** They are: the number of bids, the amount of the savings, and the cost of processing. As the number of bids increases, so does the amount of money saved—and so does the cost of processing the bids.

(5) **What are your alternate courses of action?** In this case, they are the number of bids you can ask.

(6) **Now, formulate a mathematical sequence.** You've already done part of this in Step 3; what you have to do now is add two more columns—one listing the cost per bid and the other giving the net savings, i.e., Column 3 subtracted from Column 2. Like this:

Number of Bids Asked	Savings on Purchase Price	Cost of Processing	Net Savings to Firm
1	0	\$200	-\$200
2	\$500	\$400	\$100
3	\$850	\$600	\$250
4	\$1,100	\$800	\$300*
5	\$1,200	\$1,000	\$200
6	\$1,300	\$1,200	\$100

And there's your answer (starred). You should solicit four bids because that's your point of greatest net savings, \$300 (\$1,100 savings on material less the \$800 cost of processing). If you solicit fewer or more bids, the cost of processing them will eat up more of the material savings and give you a smaller net.

Now, try the two following problems on your own.

Problem I Pseudopress Replacement

John Steele, Materials Manager for American Squeezes, Inc., was assigned the job of purchasing new Pseudopress machines for his company and disposing of old ones.

The company used Pseudopresses almost continuously in its production processes, and the wear and tear on a new machine began to show up in repair and downtime within a couple of months.

Steele's problem, then, was: How soon should a machine be replaced?

To get the answer, he first determined the cost of operating a machine per month. This cost was \$1,000 for the first month, an additional \$1,200 for the second, another \$1,500 for the third, etc. He compiled this data in a table:

Month in Service	Operating Cost
1	\$1,000
2	1,200
3	1,500
4	1,800
5	2,400
6	3,100

Other information he had at hand included the fact that the machines cost \$10,000 new, and could be sold for \$6,000 regardless of their age. Thus, a machine sold after two months, for example, would incur a \$4,000 loss (\$10,000—\$6,000 salvage value).

Amortized over the two-month period, this loss would be \$2,000 per month. Consequently, the longer a machine was kept in service, the lower the amortized cost—but at the same time, the higher would be the operating cost.

From this, it was clear that the best time for replacement of a machine could be determined only by weighing the increasing operating cost against the decreasing amortization cost.

Setting up another table, Steele worked out a simple method for determining the balance point.

How would you do it?

(Answer on Page 36)

Problem II Shaftomiller Replacement

John Steele was so successful in his Pseudopress job that he was asked to tackle the more difficult problem of the Shaftomiller machines. As with Pseudopresses, the operating costs of the Shaftomillers increased with age, as shown in the following table:

Month in Service	Operating Costs
1	\$3,000
2	3,200
3	3,400
4	4,200
5	5,000
6	\$6,000

A new machine costs \$20,000. However, unlike the Pseudopresses, the salvage price of Shaftomillers tends to decrease with age, as follows:

Months' Age	Salvage Price
1	\$13,000
2	12,000
3	10,000
4	8,000
5	7,000
6	6,000

Steele realized that this decreasing salvage price would have the effect of increasing capital costs. For example, the total capital costs for replacement after one month of service would be \$7,000 (\$20,000 — \$13,000). After five months of service, the capital costs would increase to \$13,000 (\$20,000—\$7,000). This factor, therefore, would have to be taken into account in determining the optimal replacement policy.

From this information, Steele figured out how he could find the best replacement time for Shaftomillers.

How would you go about it?

(Answer on Page 36)

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How to Escape Rostrum Rustlers

(Continued from page 1)

from nailing his prey by levity. Asked to address myself to "The Future of the Western Hemisphere," I felt that at least a mildly merry quip was justified. So I said, "I am very busy and I hate to take time to deal with fractional subjects. Now if the subject were 'The Future of the World' or perhaps 'The Future of the Cosmos' I confess it would be a challenge." Was there even a flicker of a smile on the face, reflected in a telephone, of the program chairman? There was not. With great intensity and earnestness she replied, "I'll take it up with the committee and I am sure it can be arranged."

If, pursued by a program chairman with an invitation, you say you will think it over you are almost surely lost. Then, often organized with that superlative skill inspired by desperation, pressures, extending even to distant friends and relatives, will descend upon you. And either you mount the rostrum or face the feeling of being a permanent outcast from important associates, friends and loved ones.

No, there is only one reasonably secure escape route from the clutches of a program chairman. This is to have an iron-bound engagement that makes it physically impossible to ascend the platform at the time the program chairman prescribes. And to be thoroughly protective, the engagement should be for several days and outside of the country. For the shifts in programs from hour to hour and day to day that can be negotiated by a chairman with a speaker on the hook are often positively prodigious.

Here an ethical problem emerges. Is it proper to acquire the conflicting engagement during a brief delaying action after the program chairman has issued his invitation? In view of the end-justifies-the-means procedures of program chairmen, as a class, I am inclined to think so. But I recognize this as a debatable question that must be left to the keeper of the individual conscience. All that is certain is that without a thoroughly conflicting engagement the program chairman is almost certain to prevail.

From what I have written it might be inferred that program chairmen would be as grateful to those whom they land on the speaker's platform as they are tenacious and resourceful in getting them there. But nothing could be much further from the fact. In my observance there is great solicitude for the physical, if not intellectual, well-being of the speaker until he has completed his stint. But let that be done, and generally he could expire on leaving the platform without stirring a ripple of emotion or concern—at least on the part of the program chairman. The reason, I suppose, is that the chairman is so intent on his chase for the next speaker.

There are exceptions, of course. I could cite a few where the concern for the speaker's comfort and happiness hasn't expired with his voice as it passed over his last period. But in my experience with the care and feeding of speakers which, in time span at least, has not been meager, they are very rare. And until the exceptions become the rule, I count it a constructive enterprise to help those who get entangled in the program chairman's far flung net to find possible escape routes. At least it should serve

Comparative Prices Of Selected Materials

New York—A comparison of the cost of key materials shows that the business recovery has halted—and in some cases reversed—the downward drift in these prices that was in evidence at the end of the first quarter (see PW, Mar. 20, p. 8).

During the second quarter the upper price range of ABS resins rose from 49¢/lb. to 60¢/lb. Brass prices have also gone up—over 17% for the 85/5/5/5 group and 22% for yellow brass.

Prices of the other materials compared have held steady.

	Cost	
	\$/lb.	\$/cu. in.
Polyethylene resin	\$2.60-.39	.0086-.0132
Acetal resin	.65	.0334
Acrylic resin	.55	.0234
Nylon resin 101	.98	.0404
Nylon resin 42	1.08	.0445
Nylon resin 31	1.26	.0495
Polystyrene—general purpose	.180	.0069
Polystyrene—high impact	.275	.0104
Polypropylene	.42	.0136
Modified acrylic resin	.465	.0188
ABS Resins	.47-.60	.0180-.0234
Polyvinyl chloride—rigid	.26-.40	.0125-.0200
Cellulose acetate	.44	.0202
Cellulose acetate butyrate	.62	.0267
Cellulose propionate	.62	.0271
Ethyl cellulose	.72	.0286
Polycarbonate resin	1.30	.0563
Chlorinated polyether	2.50	.1262
Magnesium AZ-91B	.3725	.0243
Aluminum 360 ingot	.264	.0256
Aluminum A380 ingot	.276	.0273
Zinc SAE-903	.1425	.0339
Brass—Yellow (#405)	.2750	.0845
Brass 85/5/5/5 (115)	.32	.1011
Steel—CR Alloy (Strip & Bar)	.09-.15	.0255-.0424
Steel—Tool—Standard 0.95C	.33	.0931
Steel—Stainless 304	.4675	.1337

the purpose of balancing up a bit what is now a very uneven game.

Note: Have you heard about the man who, standing on a ladder painting a ceiling, was approached by another man who, said, "I want to borrow the ladder, so hold on tight to the brush." Somehow, it seems to me to symbolize perfectly the state of much of the world. And, in all fairness I should confess that I heard it as the result of the enterprise of a program chairman.

Seattle Perspective

(Continued from page 21)

means higher prices to the customer," Quinn pointed out.

One of the "basic rights" Quinn seeks would allow the Milwaukee to use 46 miles of Great Northern Pacific trackage between Longview, Wash., and Portland, Ore., giving the Milwaukee access to the rich California market. "Single line" rates would be applied between all points on the Milwaukee and the merged roads, eliminating the higher "joint line" rate. The railroads would absorb all switching charges.

The Milwaukee also demands operating rights for a service route from Seattle to Sumas, near the Canadian border, where it connects with two Canadian railroads, as well as competitive service for Billings, Mont.

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Answers to Strategy Games on Page 34

Answer to Problem I

Steele's table showed what the operating costs would be if the Pseudopress were replaced after one month, after two months, etc. To these values, he added the net "purchase" cost (\$4,000) to get the total costs accrued during the lifetime of the machine.

By dividing this total cost by the lifetime, he was able to find the total monthly costs associated with each replacement policy.

Replace After	Operating Cost	Total Costs	Amortized Total Cost
1 Month	1,000	5,000	5,000/mo.
2 "	2,200	6,200	3,100/mo.
3 "	3,700	7,700	2,567/mo.
4 "	5,500	9,500	2,375/mo.
5 "	7,900	11,900	2,380/mo.
6 "	11,000	15,000	2,500/mo.

From this, Steele saw that the lowest cost could be achieved by replacing the Pseudopresses after four months of operation.

Answer to Problem II

John Steele proceeded as before, to find the replacement policy which gave the minimum total monthly cost. To account for the new factor of the decreas-

ing salvage price, he first made a table showing the capital costs in terms of replacement policy.

Replace After	Capital Cost
1 Month	\$ 7,000
2 "	8,000
3 "	10,000
4 "	12,000
5 "	13,000
6 "	14,000

He then went ahead, as before, to find the total operating costs and to add it to the capital costs. This gave him the total costs, which he then divided by the machine life-time to get the total monthly costs for each replacement period.

Replace After	Operating Cost	Capital Cost	Total Cost	Total Monthly Costs
1 Month	\$3,000	\$7,000	\$10,000	\$10,000
2 "	6,200	8,000	14,200	7,100
3 "	9,800	10,000	19,800	6,600
4 "	14,000	12,000	26,000	6,500
5 "	19,000	13,000	32,000	6,400
6 "	25,000	14,000	39,000	6,500

From this table, John could easily see that the best results would be achieved by replacing the Shafton millers after five months of service.

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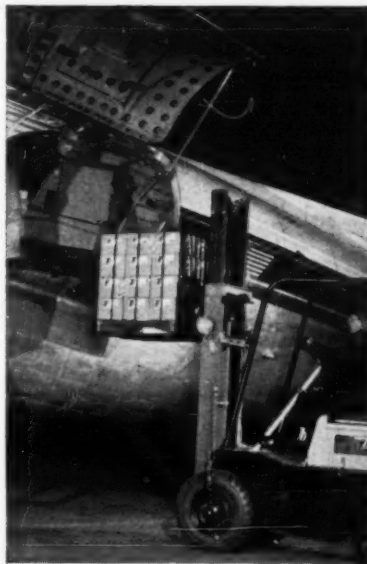
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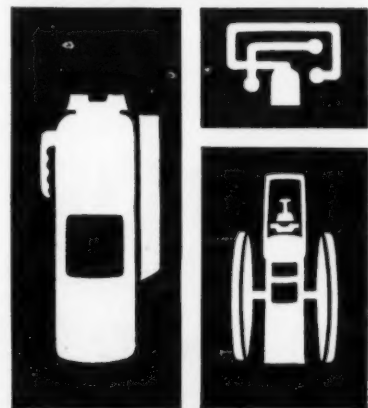
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Vendors' Hopes of Early Price Boosts Fading

(Continued from page 1)
because of imports and local rivalries for Texas markets.

● **Weakening of lists:**—Slowly being scrapped are various price lists which traditionally have been used as a pricing basis in boom times. The steel industry's move in reinforcing bars—dropping lists on this important item—is a perfect example of how producers propose to meet increasing competition through “man-to-man” negotiation.

● **Wider use of discounts:**—Manipulation of discounts both to jobbers and users also is getting big play. The big advantage here is that discounts can be changed more readily than posted prices. The on-again, off-again 5% discount in aluminum and steel conduit also illustrates this technique.

● **Quantity manipulation**—The lowering and raising of cut-off points for quantity discounts is another means of achieving flexibility. There have been several recent instances where they've been raised to discourage small orders—and where they have been lowered to broaden market penetration.

● **Concessions to new buyers**—Many suppliers actually are granting more concessions to new customers now—when business is improving—than they were during the depths of the recent recession. The thinking is along these lines: “Give in a little now when orders are still small. Once you've cemented relations with buyers, concessions can be dropped. And by then the size of orders should have increased considerably.”

● **Improvement tie-ins**—Some suppliers are using improvement gimmicks as an excuse to boost prices. One Midwestern P.A. was quite incensed about this, pointing to the fact that suppliers “are trying to mousetrap unsuspecting buyers into accepting price increases.”

The upshot of all this strategy is a basically jumpy—but non-inflationary—price picture. As the purchasing vice president of one of the nation's largest metal firms told PURCHASING WEEK: “There's a lot of price adjustment activity going on, but it's resulting in little net change in over-all price levels.”

In this period of deceptive stability most P.A.'s look for a sharp stepup in the use of the “trial balloon” technique, because it enables a supplier to safely probe a possible price hike, even when some basic weakness may exist.

Its use is already increasing. As one New England P.A. observes: All this advance notice strikes me as particularly significant, for its occurring in areas where it never did before. We never, for example, got six-month warning on bearing price increases. Another example is the six-week notice we recently got on a price hike for lever pack drums.”

P.A.'s are already making plans to meet the threat on bearings. Says one Cleveland P.A., “We've already told suppliers we don't like it, and we're going to fight it by trying to work someone into holding the price line.”

Paper lines may also be in for some trial balloons. Says an Indiana buyer: “I look for such

price probing in the uncoated paper field sometime early this summer.”

But the top purchasing executive of a major chemical company, just doesn't want any part of the technique. “This whole idea of trial balloons can backfire,” he argues. “Purchasing men who get advance notice of increases so they can buy ahead will resent not getting the same consideration on price cuts.”

Quantity discount juggling is another area that's going to keep P.A.'s guessing over the coming months as producers struggle to adjust schedules to changing supply and demand patterns.

Just last week, for example, two industries reported actions that in effect give advantage of quantity discounts to smaller buyers.

One, in the key plastic polypropylene film, “accompanied a price decrease—and was aimed at capturing a lot of small poten-

tial users. It set the cutoff point for quantity discounts at 500 lb., where previously it had ranged up to 10,000 lb.

A lot of other industries also are leaning in the direction of giving the “small fellow” a break. The feeling is that what's lost in additional servicing of small orders can be made up in volume. In addition, if sales can be stepped up 5%-10%, it would make for a substantial reduction in unit production costs.

The recent ending of “item” pricing by most steel warehouses is another step in cutting down on discount differentials. Steel service centers, faced with cut-throat competition, decided to revert to one old system under which the total size of an order—rather than the order size of the individual item—determines a customers discount.

For some buyers it meant as much as \$2/ton drop in the price of steel.

Shippers Mapping Campaign to Curb Soaring Costs of Truck, Rail Freight

(Continued from page 1)
large Midwest firm has cut transportation costs substantially by consolidating deliveries at strategic locations so that small shipments for one plant can be lumped into carload lots. Another big firm, in the Southwest, is seriously considering leasing a fleet of trucks to cut transport costs.

The shippers' campaign has succeeded in defeating two major rate increase proposals practically on the eve of passage. One, a 6% boost on LTL shipments between East and South scheduled to go into effect last Thursday, was upset by a federal court in Atlanta, which held that the ICC had violated its own rules when it reversed a previous stand against the rate increase.

'Constant Charge'

The second proposal involved the controversial “constant charge” between eastern and central points, which would have ruled out commodity classifications on under 300-lb. shipments. In this case, the National Small Shipments Traffic Conference succeeded in talking the ICC's Div. II into reversing its own previous ruling allowing the proposal to go into effect.

But there is no certainty that these maneuvers won't meet with a strong counterpunch from the tariff bureaus. The Southern Motor Carriers Rate Conference held a meeting in Daytona Beach, Fla., last week to plan its next move, and the Eastern Central Motor Carriers Assn. appealed to the ICC to let its “constant charge” and other rates go into effect while under investigation.

At the same time, other bureaus were either putting the final touches on rate increase proposals or planning rate increases when Teamster wage contracts come due.

The Midwest, still feeling the effect of a Teamster wage hike last February, saw the most rate activity last week, with these key developments:

(1) Central States Motor Freight Bureau gave final ap-

proval to a plan which would increase minimum charges by 50¢ and hike rates on shipments under 2,000 lb. by 25%.

(2) Middlewest Motor Freight Bureau into effect last Tuesday a 5% increase on shipments between Middlewest and Southwest states.

Rate increases between points in New England and New York City reflected Teamster wage hikes in that area, as did rate agitation by Southern bureaus.

Pacific Coast truckers are uneasily eyeing June 30 when the Teamster contract expires there.

Other upcoming Teamster negotiations, pegged to expiration of contracts are: New York State (with the exception of New York City metropolitan area), July 31; Carolina, Virginia, Maryland, District of Columbia, Aug. 31.

Although some shippers have threatened to divert shipments to railroads because of rising truck rates, railroads appear to have no solution for the small shipper's problem.

Some shippers even charge that railroads are pricing themselves out of the less-than-carload business. They cite a pending proposal by Eastern railroads to impose pickup and delivery charges. The Eastern roads have proposed a scale of charges at various cities which would provide \$7-million a year in revenue.

Shippers are vigorous in their opposition. “PUD charges would in most cases exceed the present truck charges on movements from such places as Chicago to Boston, Richmond, Roanoke, and Buffalo,” said Hugh Crawford, Johnson & Johnson traffic manager in Chicago.

Vast Diversion Seen

Edgar W. Caterson, industrial traffic consultant, estimated that Philadelphia shippers might divert as much as 75%-80% of present LCL tonnage if proposed charges go into effect.

“If PUD charges are imposed,” said T. C. Hope, general traffic mgr. of Montgomery Ward & Co., “our LCL traffic would, of economic necessity, be diverted

Purchasing Week's Purchasing Perspective

(Continued from page 1)
which can control costs rigidly, move goods around at a moment's notice, and speedily cope with obsolescence.

● That's where materials management comes in. The recent move of Allis-Chalmers in the materials-management direction (PW, June 5, p. 1) is cited as a clear case in point.

To put this view into one sentence: **The growth of the materials management idea may well hinge on the coming-to-power of American sales forces.**

● **Another effect of the cost-cutting merry-go-round has been the expansion of formalized value analysis programs.** You can expect this trend to continue with more and more push coming from the federal government.

Already the rage in Pentagon procurement circles (see P/W, May 8, p. 1), value analysis now is getting a buildup in other areas of the government. Several value analysis experts were making the rounds in Washington last week in an effort to sell the Small Business Administration on the idea of backing a VA program aimed at assisting smaller firms become more competitive on cost and quality in bids for government contract work.

Moral of this story is that purchasing directors who have not yet embarked on programed value analysis campaigns had better begin making plans to do so.

● **The Government is on the prowl for top drawer procurement talent but is being hurt by low salary scales.** Defense Secy. Robert S. McNamara made that complaint last week in testimony before the House Appropriations Committee. Compared to their counterparts in private industry, McNamara said, governmental purchasing agents are far outranked salarywise by their counterparts in industry. In the military services, civilian purchasing agents responsible for procurement totaling hundreds of millions of dollars frequently fall into the \$9,000-to-\$12,000/yr. bracket.

The discrepancy in pay scales, says the defense chief, means the military does not attract enough top level ability to handle top buying posts and this in turn “affects our capability for buying at the proper price.”

Pentagon to Bridle 'Open Contracts'

Washington — The Defense Dept. plans to crack down on the use of so-called “open contracts.” These are contracts usually negotiated on an annual basis in which the military agrees to buy unspecified quantities of spare parts from a single sup-

plier during the year. Prices are then set after individual purchase orders are placed.

Thomas D. Morris, Asst. Secy. of Defense for Installations & Logistics, told the House Armed Services Investigations Subcommittee last week that a new regulation will be issued shortly to “avoid abuses of this expeditious method of procurement.”

Widespread use of open contracts is at issue in an inquiry the subcommittee is making into General Accounting Office charges of wasteful defense buying of aircraft replacement spare parts. Last month, GAO reported to the committee, which is headed by Rep. F. Edward Hebert (D-La.), that the military pays excessive prices for parts because of failure to seek competitive sources of supply.

Under the new regulation, Morris said, military buying agencies will have to justify in great detail purchases from a single-source suppliers. Purpose is to evaluate each case to see whether there are competitive sources of supply for the individual item.

Morris said that from 25% to 30% of the Pentagon's \$1.2-billion worth of annual aircraft spare parts procurement could be bought competitively through bids from several suppliers. This is about double the rate of buying now covered by competitive bidding.

He said competitive military buying could be expanded by pressing for up-to-date, readily accessible drawings and specifications from initial producers, then making the technical data available to new bidders.

to truck, forwarder, express, parcel post, or private carriage.”

He added, “The railroads may be trying to stimulate loss of all LCL freight. If that is true, their next step will be to plead for complete abandonment of their duty as complete common carriers to provide transportation of LCL freight.”

Shippers claim to see the beginning of this trend in the Pennsylvania Railroad's abandonment of LCL shipments to and from key cities in the Midwest, with the policy spreading east.

Shippers in Grand Rapids, Mich., large furniture producing center, got a stay of LCL execution there via ICC suspension. The commission also suspended the LCL shutoff in Kalamazoo and Muskegon, Mich., and in 11 points in Indiana.

Many shippers have turned to REA Express as a way out of their LCL difficulties.

Chief stumbling block to this is trucker opposition to REA's invasion of the small shipments field.

Other shippers, have been looking to air freight as a way out of their dilemma. With the CAB loosening rate restrictions and the carriers themselves pushing for decreases, many shippers feel the real cost breakthroughs will come in this area.

Washington Planning Strategy for Auto Talks Late News in Brief

(Continued from page 1)
Nevertheless, the boundaries—in general terms—will be marked out.

If Goldberg, a notably cautious strategist, would speak up he would say something like this: 1) President Kennedy wants a "moderate" auto wage settlement and 2) the Administration "won't tolerate" an industry-wide auto strike.

That's the Kennedy Administration's wage-price policy in a nutshell.

First, the Administration is determined to hold down "unjustified"—President Kennedy's term—wage and price increases. Reuther's UAW negotiations with the Big Three auto makers are the year's biggest and what happens in Detroit will set the wage mark for 1961.

Steel Prices Involved Too

Beyond that, the settlement terms will affect auto prices and a high wage contract could mean higher auto prices. Go one step further. A rise in car prices could spark a boost in the cost of steel that goes into cars.

Indeed, costs of steel products are currently worrying Administration officials more than what may happen to the price-tags on new-model autos. The Council of Economic Advisers has a special watch-dog team keeping an eye on price movements in steel to protest any "unwarranted increases"—even though price-cutting of some steel items now goes on in Pittsburgh.

The big pressures for a steel price rise will come in October, when the United Steelworkers collect an automatic pay hike ranging from 7¢ to 10¢. Steel producers reluctantly refrained from raising prices last year when they signed a 34¢ two and a half

year wage contract package with McDonald's USW (breaking a wage-price rise pattern of previous settlements). With a further union pay raise in the offing, the steel industry will need considerable self-control not to try and write off higher costs through higher steel prices.

The Administration intends to

with, it says, the nation is just coming out of a recession. To shut down the auto industry by picket lines would not only delay the recovery, it would throw it back several notches. It would feed an already-high unemployment rate.

On the other hand, for the auto makers to agree to a costly settle-

Model Changeovers to Begin Early

Detroit—Auto industry plant shutdown for model changeovers begin at record early dates this year. The problem is less the threat of a strike than the fear of a market glutted with current models when 1962 cars are introduced. Last year at about this time, high inventories led to severe early discounting as dealers cleared their showrooms for the new models.

Many industry observers believe a shortage of cars may develop around September and later.

On May 31 dealer inventory stood at a shade over 900,000 units. This represented a 43-

day supply (a 16-month low) and was the fourth straight month-end reduction.

June-July production schedules are locked in. By Aug. 1, most '61 model production will have ended. Tentative production for the three-month period ending Sept. 1 is about 300,000 units fewer than for the same period last year.

These schedules strongly hint that the industry does not look for a strike when the contracts with the UAW expire on Aug. 31. If they believed a strike likely, the companies would schedule a strong July and August to build up inventories for the dry spell.

help the industry exercise this self-control. The federal officials believe the steel profit picture—apart from anti-inflation aims—makes a price increase unnecessary. But first, they must get through the auto negotiations.

Why the Concern?

Why does the Administration want to confine the auto settlement? After all, the industrial giants—both management and labor—have through the years fought out their contract negotiations without fatal results, even with the 116-day record steel strike of 1959-60.

But the Kennedy Administration sees it differently. To start

ment would do just the opposite. It would aggravate the economic pick-up: Higher prices would force an inflationary spiral and further weaken the competitive position of U.S. products with foreign goods.

Actually, the Administration strategy is simple. Put the top men of management and labor in the same room—such leaders as Thomas J. Watson of International Business Machines and Richard Reynolds of Reynolds Aluminum with AFL-CIO President George Meany and David J. McDonald of the United Steelworkers—and surround them with such economic planners and labor experts as Goldberg,

U. S. Steel Broadens Price Cuts

Pittsburgh—U.S. Steel Corp. broadened previous price cuts on seamless line pipe used in oil and gas transmission lines. It reduced prices by \$15 to \$18/ton on four grades of pipe in diameters of 6½-in. to 12¾-in. The move restores "traditional" price differentials which were upset when the previous \$18/ton reduction of high-grade type X-52 brought it below the price of lower-quality grades.

Du Pont Cuts Resin Tags

Wilmington, Del.—Du Pont Co. reduced prices 8%-40% on polyester type resins and adhesives used in making coatings, finishes, and other industrial applications. Reductions ranged from 25% to 40% on three terephthalate copolyester resins in solid form. Two metallic yarn adhesive solutions were cut to \$6.45 from \$7.50 per gallon, and to \$8.10 from \$9.15 per gallon. Reductions on 27 other adhesive solutions ranged from 8% to 39% per gallon.

Scrap Copper Tags Up

New York—Custom smelter buying price for scrap copper rose ¼¢/lb., the first upward move after a series of declines over a two-week period. Key No. 2. grade rose to a range of 25¾¢ to 36¼¢/lb., equivalent to 31¢ and 31½¢ for refined copper processed from the scrap for delivery in three months.

Firestone Extends Warranty

Akron—Firestone Tire & Rubber Co. said its dealers and stores will offer a 12-month road hazard guarantee on Firestone passenger retread tires. The guarantee extends previous retread warranties to cover tire failures caused by cuts, snags, fabric breaks, and other "normal road hazards."

Arthur Burns, and George Taylor—and spell out what the problems are.

Out of the session, the Administration hopes for a broad policy statement that warns against excessive moves on the part of both labor and management.

What will Reuther be asking for when he moves into negotiations next month? He talks about "salaries" for auto workers, implying they should be employed the year round. He asks a shorter workweek, with no reduction in pay. He wants earlier retirement for UAW members, longer vacation pay, more paid holidays.

In two words, Reuther this year wants "job security" for his members, who are losing out not only to automation in the Detroit industry but to the competition of foreign cars. The UAW estimates more than 100,000 jobs have been permanently lost.

Taken at face value, the labor leader's demands would be considered exorbitant—to put it mildly—in the context of the President's warning. But these are preliminary demands. Many will fall off the bargaining table early in the negotiations. The answer, in the Administration's view, is to achieve greater job security without too high a cost to the auto producers.

You can just about put your finger on the final settlement figures the Kennedy Administration wants. Neither Goldberg nor any other government officials would spell it out for you but what they're shooting for is a continuation of the 1961 bargaining trend.

So far this year, Goldberg's assessment is that wage settlements have been "moderate." Though the scale ranges from more than 17¢ an hour in construction to a 1% wage increase in lumber, the over-all average comes to about 8¢. The rubber industry is paying 7.5¢ an hour more as a result of recent negotiations. The various settlements

Shippers Switch Cargo To Foreign Vessels As Strike Idles U.S. Ships

New York—Geared in advance for a walkout, shippers moved quickly last week to switch cargoes to foreign vessels when a maritime strike tied up some 100 American-owned ships operating under "flags of convenience."

Some delivery delays were reported, but shippers said they would not be inconvenienced seriously unless the strike proved a lengthy one. Intercoastal and nonbulk general cargo shipments were relatively unaffected.

Biggest headache was the backlog of petroleum products piling up at Gulf Coast refineries whose tanker fleets were tied up.

In New York, the main problem was removal of perishable goods from the holds of strike-bound vessels.

Some refineries in the State of Washington were forced to close, but elsewhere on the West Coast, shippers said there were no significant holdups.

Oil and fuel shipments to the Northeast suffered from the walkout, but supplies in the area were reported ample for the time being.

At issue in the strike was a demand by the maritime unions to represent crews on the American-owned vessels which operate under the flags of Panama, Liberia, and Honduras.

Labor Secy. Arthur J. Goldberg stepped into the dispute in an effort to bring about a negotiated settlement before resorting to the no-strike provisions of the Taft-Hartley Act.

throughout the Bell Telephone chain range from \$1.50 to \$3 a week.

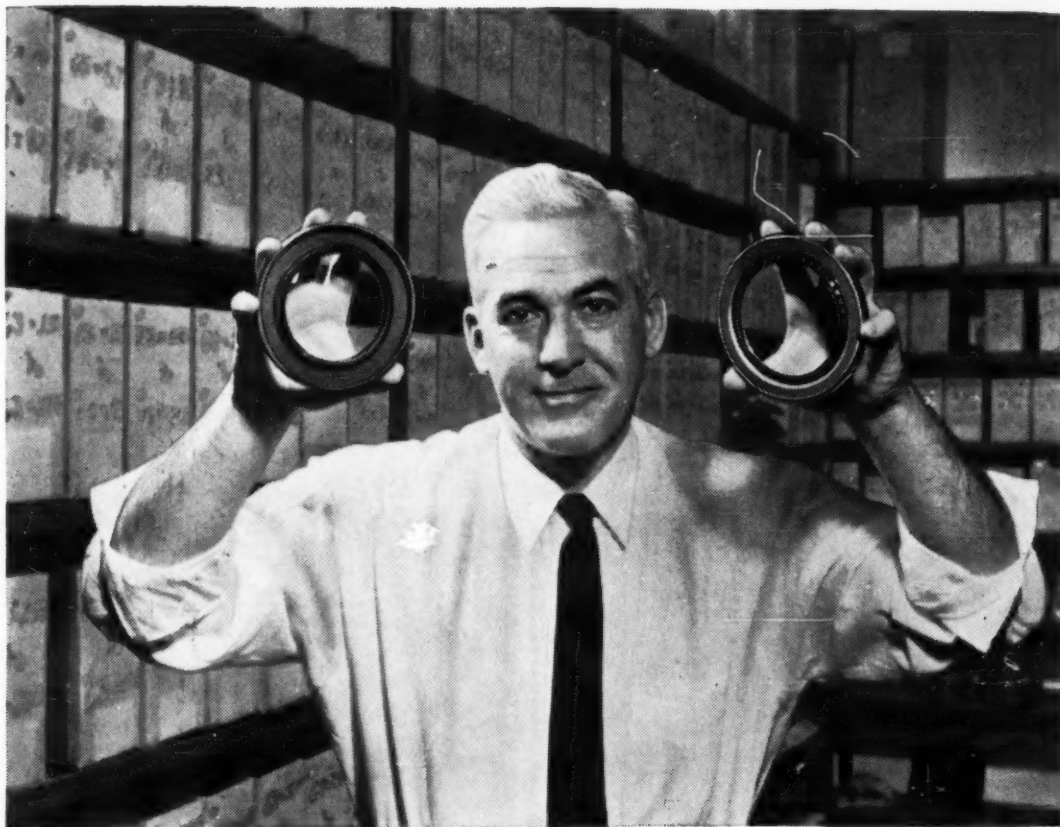
These are standard settlements—there are no "economic breakthroughs" in the picture. The Administration hopes Reuther won't change it.

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Styrene monomer, Dow, July 1-Sept. 1, lb.....	.0001	.11	seasonal adjustment
Dyestuff intermediates, July 1, Paraaminophenol, lb...	.10	\$1.25	incr. costs
4-Aminoazobenzene-4 prime sulfonic acid, lb.....	.12	\$1.27	incr. costs
2-Aminotoluene-5 sulfonic acid sodium salt, lb.....	.05	.75	incr. costs
Ortho-naphthionic acid, lb.....	.20	\$2.00	incr. costs
Cleve's acid, 1.7, lb.....	.22	\$2.42	incr. costs
Closed circuit TV systems, Thomas Ramo Wooldridge	Avg. .7%	....	....
TV cameras & camera controls T. R. W.....	25%	....	profit pinch
Gasoline, Esso (New Eng.) & Mobil (R. I.), dlr. tnkwgn., gal. ....	.008 & .009	....	profit pinch
Gasoline, Michigan, Mobil, dlr. tnkwgn., gal.....	.015-.024	....	price restoration
Truck parts, Elwell-Parker, discount to fleet buyers reduced, July 3.....	3%	....	price restoration
Tin salts, potassium stannate, lb.....	.016	.848	incr. costs
Sodium stannate, lb.....	.018	.713	metal incr.
Tin crystals, anhy., lb.....	.025	\$1.099	metal incr.
Casein, arg., lb.....	.0075	.1925	tight supply
Electrical conduit, al. & stl., Dist. discount elimination July 1	5%	....	....
Drawn copper rods, elect. 31780, shapes, Bridgeport brass, price extras, lb.....	.02-.108	....	....
REDUCTIONS			
Oleic acid, red, tanks, lb.....	.0075	.155	....
Stearic acid, lb.....	.0075	.1675	....
Grease, yellow, lb.....	.00125	.0575	competition
Wire rope, prices to distributors.....	10%	....	competition
Vinyl chloride monomer, tanks, lb.....	.0146	.075	oversupply
Kraft linerboard, unbleached, E. of Rockies, Int'l Paper	10%	....	competition
Polypropylene film (olefane), AviSun, 500 lbs. & up., lb	.06-.09	.64	broaden market
Vinyl tile (parfait marble), congoileum.....	9%	....	competition
Triethylenetetramine, Dow, tanks, lb.....	.03	.46	competition
Acetone, tanks, lb.....	.01	.07	competition
Aluminum alloy billet, soft alloy extrusions, lb.....	4%	....	competition
Drawn copper rods, elect. bus bar usage, rect. & other shapes, Phelps Dodge, base price, lb.....	.01 & .0025	.5036	....
Polyester type resins & adhesives, ind'l usage, Du Pont..	8%-40%	....	prod econs.
Seamless line pipe, 6½"-12¾", U. S. Stl., ton.....	\$15.00-\$18.00	....	keep price diffntls.
Antiknock compounds, ethyl.....	5%	excess capacity
Hydrogen cyanide, tanks, lb.....	.01	.13

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COTTINGHAM BEARING CO.....	Dallas
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SEYMOUR BEARING CO.....	Amarillo
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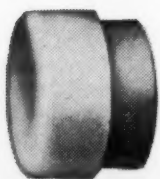
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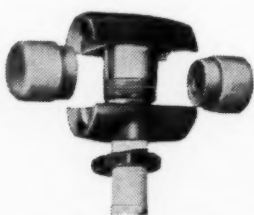
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